Advanced Education and Technology

Annual Report
2011-2012

Alberta

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Advanced Education and Technology

Annual Report 2011-12

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 Ministries.

The annual report of the Government of Alberta contains Ministers' accountability statements, the consolidated financial statements of the Province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On October 12, 2011, the government announced new ministry structures. The 2011-12 ministry annual reports and financial statements have been prepared based on the October 12, 2011 ministry structure. **However, no changes were made to the Ministry of Advanced Education and Technology at that time.**

This annual report of the Ministry of Advanced Education and Technology contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry including the Department of Advanced Education and Technology, regulated funds, provincial agencies, and Crown-controlled corporations for which the Minister is responsible, and**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.**

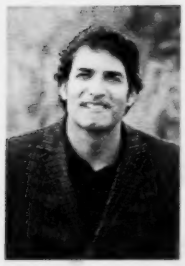
On May 8, 2012, the government announced cabinet restructuring. As a result, the Department of Advanced Education and Technology was restructured. The Department will assume responsibility for the Enterprise and Economic Development programs along with Immigration and Workforce Development programs. These programs were transferred from the former Ministry of Treasury Board and Enterprise and the Ministry of Human Services. The Department is renamed the "Department of Enterprise and Advanced Education." This most recent restructuring will be reflected in the 2012-13 Ministry Annual Report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2012 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 11, 2012 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by

Stephen Khan
Minister of Enterprise and Advanced Education



Message from the Minister

Alberta is a key driver of the national economy thanks to its culture of innovation, economic prosperity and entrepreneurial spirit. During the past year, the former Ministry of Advanced Education and Technology played an important role in securing Alberta's economic future by working to build a more educated population and broadening and diversifying our economy.

We continued our efforts to build a culture of innovation by focusing on recruiting new research leaders to the Province in these key areas: energy and environment, food and nutrition and neuroscience/prions and water. This was accomplished by launching the Campus Alberta Innovation Program which provided 16 research chairs at Alberta's four Comprehensive Academic and Research Intensive institutions.

The Ministry also took concrete steps to simplify the Student Aid Alberta program and make it more accessible for Albertans. These changes included a flat rate student contribution which eliminated the use of savings, part-time earnings and RRSPs in eligibility assessments. We also enabled students who move from full-time to part-time studies to begin repayments after graduation instead of immediately upon their change in status. This is an important milestone for Alberta, as we are the first Canadian province to implement these progressive changes.

We also continued to attract, inspire and support our best and brightest students by awarding over $70 million in scholarships—more than all other provinces combined. By rewarding excellence, we are setting the stage to help more Albertans unleash their full potential and achieve greater success.

With an economic recovery underway, we collaborated with the Alberta Apprenticeship and Industry Training Board, industry and other stakeholders to ensure that Alberta has a skilled workforce to meet present and future demands.

We piloted alternate forms of apprenticeship program delivery and established a framework to evaluate foreign credentials to enable skilled professionals to come to our province. Together, we are creating a solid foundation of skilled labour and strengthening our ties with the global skilled trades community.

To stay at the forefront of health care innovation, we continued to form valuable partnerships with multinational companies and foreign institutions. By embarking on new commercial and research partnerships, Alberta is playing a leading role in making our world a better place.

Alberta has the potential to reach greater heights than ever before thanks to our renewed focus and close partnerships with stakeholders, industry, academia and agencies. Together, we can help secure Alberta's economic future.

original signed by

Stephen Khan
Minister of Enterprise and Advanced Education

Management's Responsibility for Reporting

The Ministry of Advanced Education and Technology includes:

- the Department of Advanced Education and Technology,
- the Access to the Future Fund,
- the Alberta Enterprise Corporation,
- Alberta Innovates – Bio Solutions,
- Alberta Innovates – Energy and Environment Solutions,
- Alberta Innovates – Health Solutions,
- Alberta Innovates – Technology Futures, and
- Public Post-Secondary Institutions.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Advanced Education and Technology. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – goals, performance measures and related targets match those included in the Ministry's Budget 2011.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance and the Minister of Advanced Education and Technology information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

original signed by

David Morhart
Deputy Minister of Enterprise and Advanced Education

June 11, 2012

Results Analysis

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Review Engagement Report

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Ministry Overview

Advanced Education and Technology leads the development of Alberta's knowledge-inspired future through a dynamic and integrated advanced learning and innovation system. The Ministry recognizes that people are the foundation for creating ideas, competitiveness, growth and social well-being, and therefore focuses on the linked needs of learners, researchers and entrepreneurs.

Advanced Education and Technology provides strategic leadership for Alberta's advanced learning and innovation system, and engages learners, industry and community in learning opportunities by:

- **Building a globally recognized, quality advanced learning system**. The Ministry funds advanced learning providers and facilitates collaboration across the post-secondary system in support of innovative and efficient delivery of learning opportunities. The Ministry maintains quality assurance in the advanced learning system and works with partners to enhance the advanced learning environment to meet the needs of learners, society and the economy.
- **Fostering excellence in research, innovation, and commercialization**. The Ministry works collaboratively with advanced learning and innovation system partners and stakeholders to coordinate, fund and promote research and innovation in key areas of bio-industries, energy and environment, health, and information and communications technology. The Ministry also supports the creation and establishment of new and emerging technology companies, investments in key emerging industries and international collaborations.
- **Creating a learner-centred, affordable and accessible advanced learning system**. The Ministry ensures access to a full range of affordable and quality advanced learning opportunities for Albertans through flexible learning pathways. The Ministry provides student financial aid, rewards excellence through scholarships and works with public post-secondary institutions, private providers, community adult learning organizations and industry to support lifelong learning.

The Ministry's mandate is fulfilled in collaboration with Campus Alberta and Alberta Innovates partners and stakeholders through a coordinated and responsive advanced learning and innovation system.

Alberta Innovates consists of the Alberta Research and Innovation Authority, and four provincially-funded corporations: Alberta Innovates – Bio Solutions, Alberta Innovates – Energy and Environment Solutions, Alberta Innovates – Health Solutions and Alberta Innovates – Technology Futures. Alberta Innovates collaborates with the Alberta Enterprise Corporation, key innovation support agencies, publicly-funded post-secondary institutions, industry and government.

Campus Alberta consists of the publicly funded post-secondary institutions and the apprenticeship and industry training system, and collaborates with private institutions, community-based organizations, industry and Alberta Innovates.

Together, Campus Alberta and Alberta Innovates:

- develop and sustain a globally competitive, collaborative advanced learning and innovation system;
- deliver quality, accessible and affordable lifelong learning opportunities;
- form the foundation for research and innovation;
- respond to learner, economic and social needs, supporting Alberta's quality of life and economic competitiveness; and
- leverage Alberta's strengths in priority areas to develop international collaborations, attract investments and diversify the provincial economy.

The Ministry collaborates with learning providers, advisory boards, councils and authorities, and innovation support agencies to fulfill its mandate of creating accessible, affordable, quality learning opportunities and fostering support for innovation and commercialization activities.

Entities included in Ministry Financial Statements

Ministry	Department of Advanced Education and Technology		
	Funds and Corporations		Access to the Future Fund
			Alberta Enterprise Corporation
			Alberta Innovates – Bio Solutions
			Alberta Innovates – Energy and Environment Solutions
			Alberta Innovates – Health Solutions
			Alberta Innovates – Technology Futures
	Public Post-Secondary Institutions	*Comprehensive Academic and Research Institutions*	University of Alberta
			University of Calgary
			University of Lethbridge
			Athabasca University
		Baccalaureate and Applied Studies Institutions	Grant MacEwan University
			Mount Royal University
		Polytechnical Institutions	Northern Alberta Institute of Technology
			Southern Alberta Institute of Technology
		Comprehensive Community Institutions	Bow Valley College
			Grande Prairie Regional College
			Keyano College
			Lakeland College
			Lethbridge College
			Medicine Hat College
			NorQuest College
			Northern Lakes College
			Olds College
			Portage College
			Red Deer College
		Specialized Arts and Culture Institutions	Alberta College of Art + Design
			The Banff Centre

For more information on the Ministry of Advanced Education and Technology, see **eae.alberta.ca**.
Websites for Funds, Corporations and Public Post-Secondary Institutions are listed on page 90.

Advisory Boards, Councils and Authorities

Access Advisory Council
Alberta Apprenticeship and Industry Training Board
Alberta Council on Admissions and Transfer
Alberta Research and Innovation Authority
Campus Alberta Quality Council
Students Finance Board

Websites for these entities are listed on page 90.

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measure identified as "Reviewed by Auditor General" in the *Ministry of Advanced Education and Technology's 2011-12 Annual Report*. The reviewed performance measure is the responsibility of the Ministry and is prepared based on the following criteria:

- Reliability – information used in applying performance measure methodology agrees with underlying source data for the current and prior years' results.
- Understandability – the performance measure methodology and results are presented clearly.
- Comparability – the methodology for performance measure preparation is applied consistently for the current and prior years' results.
- Completeness – the goal, performance measure and related target match those included in the Ministry's Budget 2011.

My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measure. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measure in demonstrating Ministry progress towards the related goal.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measure in the Ministry's 2011-12 Annual Report is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above.

original signed by

Merwan N. Saher, FCA
Auditor General

April 2, 2012
Edmonton, Alberta

Performance measure reviewed by the Auditor General is noted with an asterisk (*) on the Performance Measures Table for Goal 3.

Discussion and Analysis of Results

Core Business 1 **Provide strategic leadership for Campus Alberta and Alberta Innovates**

Goal 1 **A globally recognized, quality advanced learning system that meets the needs of Alberta**

Performance Measures		Previous Years' Results				Current	*Target*	Endnotes
Satisfaction of recent post-secondary graduates with the overall quality of their educational experience *indicates the system's ability to help students achieve desired outcomes. This is one of the indicators used by the Ministry to assess institutional performance.*		91% 2008	n/a[1]	91% 2010	n/a[1]	n/a[2]	90%+ ◇	A B
Satisfaction of recent apprenticeship graduates with: *indicates the quality of the apprenticeship training system and its ability to meet learner needs in terms of relevancy of the training content, teaching ability of instructors, adequacy of equipment, and whether the training is current and up-to-date with trade practices.*	**on-the-job training**	n/a[1]	92% 2009	n/a[1]	91% 2011	n/a[1]	*n/a* ○	B C
	technical training	n/a[1]	94% 2009	n/a[1]	93% 2011	n/a[1]	*n/a* ○	B C
International visa students registered at Alberta post-secondary institutions *indicates the Province's success in attracting international students.*		9,430 2006-07	9,804 2007-08	11,840 2008-09	12,614 2009-10	13,143 2010-11	*12,090* △	D E

1 The Post-Secondary Graduate Outcomes Survey and the Survey of Apprenticeship Graduates are conducted every other year in alternating years.

2 The usual survey cycle for the Post-Secondary Graduate Outcomes Survey cannot accommodate publication of final data in June. Results will be available on the Ministry website in October 2012.

Target exceeded	△
Target met	✓
Target not met	✗
No target set	○
No result	◇

Advanced Education and Technology supports the ongoing operations, infrastructure, global outreach and workforce outcomes of Alberta's advanced learning system, and provides strategic guidance to align efforts and resources for long-term system sustainability and effectiveness. The Ministry understands that effective partnerships with learners, providers, researchers, industry, employers and communities enable the system to be responsive, serving Alberta's quality of life and economic well-being.

Funding

To ensure the ongoing quality and availability of advanced learning opportunities in Alberta in 2011-12, Advanced Education and Technology provided nearly $2.2 billion in operating funding to post-secondary institutions and $255 million to support the expansion and preservation of post-secondary facilities. These funds secure a foundation on which the advanced learning system can build.

In support of a sustainable, advanced learning system, Advanced Education and Technology and Alberta's post-secondary partners are exploring innovative strategies that, among other objectives, will generate new revenue streams for post-secondary institutions. In 2011-12, the Ministry provided legal and accountability support to Keyano College and University of Calgary in developing land to maximize its economic benefit.

This year marks the completion of the Government's three-year capital plan, announced in April 2009, which devoted $1.2 billion to post-secondary infrastructure. Under this plan, landmark facilities were opened, aimed at providing a seamless, practical, interdisciplinary environment for Alberta's learners and researchers. These capital projects demonstrate a commitment by the Province and Campus Alberta partners to innovation in program delivery, research and collaboration.

System Alignment and Collaboration

Coordination across Alberta's advanced learning system helps focus the efforts of all partners for the long-term benefit of Albertans.

An important tool in facilitating this coordination and dialogue is the Ministry's Campus Alberta Planning Resource. Based on extensive research and the best evidence available to Advanced Education and Technology, this annual document identifies strategic directions and key policy outcomes for the system, and provides post-secondary institutions a common context for planning and priority setting.

The Ministry also took steps this year to support long-distance collaborations and "one window" experiences for Alberta's learners through common information technology platforms. Students can now apply online with a single identity for enrolment and financial aid to attend Alberta institutions[1], demonstrating government's commitment to building a responsive and seamless advanced learning system.

1 Except private vocational training institutions.

Substantial work was undertaken this year developing guidelines to facilitate agreements between post-secondary institutions that give learners in rural or remote regions access to new learning opportunities. By extending the availability of degree programs to learners attending comprehensive community institutions and allowing one institution to deliver another's program in a rural or remote location, learners benefit from improved access to further education.

Global Connections

Just as collaboration among Campus Alberta partners improves the range of options available to Alberta's learners, relationships between Alberta's advanced learning system and other educational jurisdictions also creates new opportunities for Alberta students and raises the profile of Alberta's advanced learning system internationally.

To support international connections for Alberta students, the Ministry awarded eight Grant MacEwan United World College Scholarships enabling recipients to complete their high school education at campuses around the world. Award winners are selected based on academic performance, leadership, volunteerism and citizenship.

The Ministry continues to build awareness of Alberta's advanced learning system at international forums including Mexico, India, Vietnam, China, Brazil and the United Kingdom. Notably, the number of international visa students enrolled at Alberta's publicly-funded post-secondary institutions in 2010-11 was 13,143, an increase of 4.2% over the previous year. Building these relationships with international partners attracts students, researchers and workers to the province, contributing to Alberta's innovation and prosperity.

Labour Demands

Alberta's apprenticeship and industry training system is a key mechanism helping the Province meet its labour requirements. Through recognition of foreign credentials, support for Aboriginal participation in skilled trades, innovative training and recognition of excellence, the apprenticeship and industry training system is positioning Alberta to meet its current and future labour needs.

This year, the Ministry, working with the Alberta Apprenticeship and Industry Training Board, established a framework and evaluation process for foreign credential recognition and updated the Qualification Certificate program to improve assessment of foreign trained workers. Recognizing foreign trained workers through a rigorous process of evaluation is a critical component in Alberta's labour planning.

Aboriginal participation in skilled trades in Alberta is also recognized as an important component of meeting the Province's labour needs. In Edmonton and Fort McMurray, the Ministry is piloting a program to engage Aboriginal apprentices in the apprenticeship system, and has also begun to track the number of Aboriginal apprentices progressing in their apprenticeship programs from period to period. This data will help Advanced Education and Technology and the Alberta Apprenticeship and Industry Training Board understand how to strengthen Aboriginal learner support programs and services. More than 2,500 Aboriginal people were registered in Alberta as apprentices in 2011, and 245 Aboriginal apprentices were certified in 2011, up from 227 in 2010.

To support access in Alberta's apprenticeship and industry training system, the Ministry expanded Blending Learning programs – innovative, alternate delivery of technical training. By adopting learning models that are effective and inclusive, Alberta's apprenticeship and industry training system continues to improve access for Albertans.

The Ministry also rewarded superior performance with 57 WorldSkills Legacy Scholarships to Alberta students participating in provincial, national and international skills competitions. These scholarships raise the bar for the entire apprenticeship and industry training system as competitors inspire other learners to reach for their best.

Advanced Education and Technology is committed to guiding Alberta's advanced learning system toward a more integrated and dynamic future, one that ensures access for learners, innovation in delivery, connections with global partners and support for the Province's labour needs. Increasingly, the Campus Alberta system is leveraging technology, infrastructure innovation and an entrepreneurial spirit to remain sustainable and responsive to the needs of Albertans.

Core Business 1 **Provide strategic leadership for Campus Alberta and Alberta Innovates**

Goal 2 **Excellence in research, innovation and commercialization drives Alberta's future success**

Performance Measures	Previous Years' Results				Current	*Target*	Endnotes
Total sponsored research revenue attracted by Alberta's comprehensive academic and research institutions ($M) *indicates the research capability, capacity and competitiveness of these institutions, and helps the Ministry understand the Province's progress in research and innovation.*	719.3 2006-07	760.9 2007-08	791.2 2008-09	818.5 2009-10	850.4 2010-11	*820* △	F
Percentage of graduate students studying in priority areas *is an indicator of Alberta's research and innovation capacity in areas of focus.*	33% 2006-07	33% 2007-08	33% 2008-09	34% 2009-10	34% 2010-11	*33%* △	E G
Percentage of Canadian venture capital invested in Alberta *helps indicate the capacity and capability available to support innovation and knowledge industry growth.*	2.4% 2007	5.3% 2008	7.0% 2009	6.7% 2010	3.8% 2011	*5.0%* ✕	H

Target exceeded	△
Target met	✓
Target not met	✕
No target set	○
No result	◇

Alberta's future growth and prosperity requires a strong and sustainable research and innovation system that enhances research capacity, facilitates strategic investments and captures value from research. Advanced Education and Technology facilitates alignment, collaboration and investment in the priority areas of bio-industries, energy and environment, health, and information and communications technology. This support helps to build a client-oriented and collaborative research and innovation environment, create the conditions to attract research talent, encourage new investment, create global partnerships and commercialize emerging technologies. Advanced Education and Technology provides strategic guidance, targeted funding and global outreach to develop, sustain and enhance Alberta's research capacity and foster the Province's knowledge-inspired economy.

System Alignment and Collaboration

The Province's commercial and research collaborations, investment climate and support for research excellence depends on an aligned and collaborative innovation system that inspires investor confidence, supports effective resource allocation and encourages coordinated research effort.

Alberta Innovates is an integral part of research and innovation activity in the Province. Alberta Innovates supports the Government's priority areas, and consists of the Alberta Research and Innovation Authority, and four provincially-funded corporations:

- Alberta Innovates - Bio Solutions,
- Alberta Innovates - Energy and Environment Solutions,
- Alberta Innovates - Health Solutions, and
- Alberta Innovates - Technology Futures.

Alberta Innovates builds connections among industry, researchers, entrepreneurs, government and support agencies. This year, the Ministry provided $213 million in grant funding to Alberta Innovates corporations to support research, innovation and technology commercialization in the Province.

The Alberta Research and Innovation Plan (ARIP), collaboratively developed with key ministries and the Alberta Innovates corporations, conveys the research outcomes and themes of the Government of Alberta to Campus Alberta institutions. The comprehensive institutional planning process provides Campus Alberta with an opportunity to articulate research priorities and requirements in the context of the ARIP. This integrated planning aims to build capacity across the research and innovation system in areas of strategic importance to benefit Albertans. ARIP also provides guidance to Alberta Innovates corporations on government priorities and directions where research is required.

Advanced Education and Technology worked this year to establish a client-oriented culture across the research and innovation system by continuing to develop and deliver the Alberta Innovates Connector service. This service brings researchers and entrepreneurs together with a broad network of innovation support service providers to help them succeed. In 2011-12, the Connector responded to over 870 inquiries (about one fifth with "hands-on" case management), and developed the Alberta Innovates Connector Directory, listing approximately 190 business, financial and technical programs and services available across Alberta.

Advanced Education and Technology is working with other Government of Alberta ministries and the federal government to advance applied research solutions. This year, the Ministry worked closely with the Ministry of Health and Wellness to implement initiatives supporting Alberta's Health Research and Innovation Strategy. As well, the Ministry signed a memorandum of understanding between the Government of Alberta and the Government of Canada enabling collaboration on a broad array of oil sands and clean energy research. This collaboration will enhance the industry's capacity to achieve responsible and sustainable oil sands development.

Research Excellence

To encourage research excellence in Alberta, Advanced Education and Technology worked with Alberta's four comprehensive academic and research institutions and Alberta Innovates to create sixteen Campus Alberta Innovation Program Chairs. The program aims to attract new leaders in energy and environment, food and nutrition, neuroscience/prions and water research.

The Ministry also launched competitions this year for the Research Capacity Program. The program helps post-secondary institutions acquire cutting-edge equipment to build basic and applied research capacity and attract and retain talented researchers. In 2011-12, Advanced Education and Technology awarded $9 million in small equipment grants for 33 projects at the universities of Alberta, Calgary and Lethbridge.

Sponsored research revenue attracted by Alberta's publicly-funded comprehensive academic and research institutions increased by 3.9% over the previous year. These results indicate the growing research capability, capacity and competitiveness of these institutions.

As well, it is worthwhile noting that graduate student enrolment in priority areas of research has remained stable over the last five years, indicating the system is consistently able to attract students to those areas where the Province has or is developing a competitive edge.

Global Connections

As Alberta becomes recognized as the home of significant research talent, Advanced Education and Technology finds more opportunities to connect with partners from other jurisdictions. This year, the Ministry led the development and implementation of global outreach initiatives to promote Alberta as a world-class destination for collaboration in research, innovation, technology commercialization and investment attraction.

Advanced Education and Technology signed a memorandum of understanding with the Government of Maharashtra in India on cooperation in the field of post-secondary education, research and commercialization. As well, the Ministry extended an existing memorandum of understanding encouraging collaboration in research and technology development between Alberta and the Mexican state of Jalisco. Within the scope of the agreement, the Ministry launched a joint research, development and commercialization funding program.

Investment and Commercialization

Advanced Education and Technology continues to encourage priority-area commercial investment and find innovative ways to deliver research benefits to Albertans.

This year, Advanced Education and Technology was able to facilitate valuable partnerships with multinational companies and foreign institutions from priority markets, including a memorandum of understanding to advance early-stage pharmaceutical innovations.

Working collaboratively with Alberta Innovates – Technology Futures, Advanced Education and Technology conducted a comprehensive review of the pilot phase of the Alberta Innovation Vouchers program. In 2011-12, 72 vouchers were awarded to small technology businesses, assisting them to transform innovative ideas into commercial products or services and gain a competitive advantage in domestic and export markets.

Also this year, the Ministry worked with Alberta Innovates – Technology Futures to launch the Technology Development Advisors program as part of Alberta's Action Plan: "Bringing Technology to Market." Technology development advisors are experts with industry and business experience who assist small- and medium-sized innovative companies with technology, business, financial and product development issues.

Another strategy supporting commercialization is to attract venture capital to the Province. Alberta Enterprise Corporation works to develop more venture capital funds located in Alberta. Alberta is competing against much larger venture capital markets in Ontario, Quebec and British Columbia, and investment in these markets has continued to rebound since 2009, producing a strong effect on Alberta's relative percentage of Canadian venture capital. Due to a number of factors, including a substantial increase of $233 million in the overall Canadian venture capital market and a reduced total value of venture capital investments in the Province in 2011, Alberta's relative share of venture capital investment declined from 6.7% to 3.8%.

Researchers, industry, and government continue to work together to create a collaborative research and innovation system and stronger companies. Advanced Education and Technology is committed to facilitating alignment, collaboration and investment for Alberta's long-term social, economic and environmental benefit.

Core Business 2 Engage learners, industry and the community in learning opportunities

Goal 3 A learner-centered, affordable advanced learning system accessible to Albertans

Performance Measures	Previous Years' Results				Current	*Target*	Endnotes
* **Proportion of Albertans aged 18-34 participating in post-secondary education** *helps indicate Alberta's social and economic well-being since post-secondary participation correlates to employment and earning power.*	17% 2007	16% 2008	17% 2009	18% 2010	17% 2011	*18%* ✕	I
Proportion of recent graduates who agree that the program they graduated from was worth the financial cost *indicates the ability of the advanced learning system to help students achieve desired outcomes. Additionally, the measure offers insight into graduates' perceptions of quality and cost at Alberta's post-secondary institutions.*	84% 2008	n/a[1]	86% 2010	n/a[1]	n/a[2]	*87%* ◇	A

1 The Post-Secondary Graduate Outcomes Survey and the Survey of Apprenticeship Graduates are conducted every other year in alternating years.

2 The usual survey cycle for the Post-Secondary Graduate Outcomes Survey cannot accommodate publication of final data in June. Results will be available on the Ministry website in October 2012.

Target exceeded	△
Target met	✓
Target not met	✕
No target set	○
No result	◇

* ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General***

The performance measure indicated with an asterisk was selected for review by Ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives,
- Measures for which new data is available, and
- Measures that have well established methodology.

Advanced Education and Technology is committed to ensuring Albertans have access to affordable advanced learning opportunities throughout the Province by supporting diverse learner needs through flexible learning pathways, community learning, student financial aid and scholarships.

Access and Participation

Advanced Education and Technology has taken significant steps this year to improve the flexibility of learner pathways and support students in exploring their education and career options. In collaboration with the Ministry of Education and the Ministry of Human Services, Advanced Education and Technology completed significant groundwork to support dual credit programming, allowing high school students to receive both high school credits and post-secondary credits for a particular course. This type of programming provides unique opportunities to personalize learners' high school experience and discover their career passions. As well, the Ministry hosted the Minister's Summit on Learner Pathways including representatives from across the post-secondary system to develop a collective understanding of opportunities and challenges involved in developing and diversifying learner pathways.

Public satisfaction with access to education in Alberta remains high. Respondents to an annual survey have indicated increasingly higher levels of satisfaction with access to education over last five years, from 85% in 2006 to 89% in 2011. In 2012, 88% of respondents were satisfied or very satisfied with access to the education and training they wanted within Alberta's learning system. (See Endnote J.)

While the proportion of Albertans aged 18-34 participating in post-secondary education has dropped slightly this year to 17%, missing the target of 18%, results from this measure have remained extremely stable over the long term. Factors that may influence the slight fluctuations in results include the Province's current unemployment rate and in-migration rate: when more people are working, post-secondary enrolment tends to decrease, and when the total population of the Province increases, the relative number of people in school may decrease. While post-secondary participation in Alberta has typically been slightly lower than the Canadian average, Alberta's educational attainment rate (the percentage of Albertans who hold a post-secondary certificate, diploma, or degree) has been consistently on par with the Canadian average. (See Endnote K.)

Affordability

Over the last two years, the Ministry has undertaken a rigorous review of student financial aid, with an aim to make the system more sustainable, equitable and understandable. This year laid the groundwork for program changes to be implemented in 2012-13.

Major changes approved include a flat rate student contribution (eliminating the use of savings, part-time earnings, parental contributions and RRSPs in eligibility assessments) and allowing students who move from full-time to part-time studies to begin repayments after graduation instead of immediately upon their change in status. Alberta is the first province to implement these two progressive changes in financial aid for post-secondary students.

Another significant change approved for student aid is the introduction of a six-month interest-free grace period after graduation for all students, recognizing that graduates need time to find work in order to begin repayment. This measure will provide significant financial relief for graduates as they look for employment, and will affect all students with provincial loans, both full-time and part-time learners.

As well, enhancements to the student finance system were implemented this year to improve the online loan application process and to speed up application processing.

In 2011-12, Advanced Education and Technology funded over 54,000 full-time post-secondary students by providing $268 million in provincial student loans in addition to $18 million in provincial grants to help ensure financial need is not a barrier to post-secondary participation.

Results from the Post-Secondary Graduate Outcomes Survey indicate increasingly high levels of graduate satisfaction with value for money in pursuing post-secondary education. Over the last three survey cycles, 83%, 84%, and 86% of respondents indicated they were satisfied or very satisfied that their program of study was worth the cost.

These results and continuing efforts by the Ministry to ensure learners have access to a sustainable financial aid system demonstrate the Province's commitment to affordable lifelong learning for Albertans.

Rewarding Excellence

Advanced Education and Technology is committed to rewarding and celebrating excellence among learners. In 2011-12, the Ministry awarded $70 million in scholarships to nearly 37,000 Alberta students – more scholarship dollars than all other provinces combined.

Among the new scholarships created this year is the Duke and Duchess of Cambridge Scholarship, recognizing the exceptional achievements of post-secondary students who have overcome significant challenges in their lives. As many as 25 awards of $2,000 will be provided annually to learners based on their outstanding academic performance. The scholarship enhances the Government of Alberta's Advancing Futures bursary program, which offers financial assistance and ongoing support to youth who are or have been in government care.

Community Connections

Lifelong learning happens in many different ways for Albertans across the Province: what, how, when and where we learn varies widely depending on our current needs and interests. Community learning opportunities play an essential role in meeting those needs.

Community-based learning providers and services are an important support for adults and families who are taking training in English as a second language (ESL). This year, the Ministry collaborated with the Ministry of Human Services to fund a comprehensive report on the ESL landscape and form recommendations to improve efficiencies and promote successful learner outcomes.

Community learning can also complement formal post-secondary training through real-world work experience. Experiential learning is critical for the development of well-rounded citizens and a skilled labour force. This year, the Ministry, in collaboration with Volunteer Alberta, launched the Serving Communities Internship Program (SCiP) as a three-year pilot. SCiP aims to build stronger communities, leaders and organizations by offering internships where post-secondary learners can develop specialized skills and gain meaningful work experience.

These community-oriented initiatives demonstrate that lifelong learning is an integral part of Alberta's social fabric. Access to learning opportunities – both through flexible learning pathways and responsive student financial assistance – improves quality of life and helps secure Alberta's prosperity in a knowledge-inspired future.

Financial Highlights

The consolidated Ministry Financial Statements include:

- the Department of Advanced Education and Technology,
- the Access to the Future Fund,
- the Alberta Enterprise Corporation,
- Alberta Innovates – Bio Solutions,
- Alberta Innovates – Energy and Environment Solutions,
- Alberta Innovates – Health Solutions,
- Alberta Innovates – Technology Futures, and
- Alberta Public Post-Secondary Institutions.

Revenue

(in thousands)

	2012 Actual	2011 Actual (Restated)
Transfers from Government of Canada	$ 349,967	$ 411,084
Internal Government Transfers	416,771	409,494
Tuition and Non-credit Courses	988,839	937,093
Sales, Rentals and Services	662,407	655,483
Grants and Contributions	430,630	371,924
Other Revenue	131,386	126,521
Total	$ 2,980,000	$ 2,911,599

Revenue increased $68 million from the prior year, primarily due to increased revenue at public post-secondary institutions in the areas of Donations and Contributions and Tuition and Non-credit Course revenue.

Expenses by Function

(in thousands)

	2012 Actual	2011 Actual (Restated)
Education	$ 5,101,324	$ 4,943,102
Agriculture, Research Management and Economic Development	191,677	199,309
Total	$ 5,293,001	$ 5,142,411

Expenses increased $151 million from the prior year, primarily due to increased salary and wage and supplies and services costs at post-secondary institutions.

eae.alberta.ca/annualreports

Ministry of Advanced Education and Technology

Consolidated Financial Statements

March 31, 2012 *Audited Information*

Independent Auditor's Report

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AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Advanced Education and Technology, which comprise the consolidated statement of financial position as at March 31, 2012, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Advanced Education and Technology as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 11, 2012
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2012

(in thousands)

	2012 Actuals	2011 Actuals (Restated)
Revenues (Note 2(b) and Schedule 1)		
Internal Government Transfers	$ 416,771	$ 409,494
Transfers from Government of Canada	349,967	411,084
Investment Income	118,820	115,114
Premiums, Fees and Licenses	5,007	4,801
Tuition and Non-Credit Courses	988,839	937,093
Sales, Rentals and Services	662,407	655,483
Donations, Grants and Contributions	430,630	371,924
Other Revenue	7,559	6,606
	2,980,000	2,911,599
Expenses – Directly Incurred (Note 2(b) and Schedule 2)		
Public Post-Secondary Institutions	4,793,735	4,595,685
Alberta Innovates Corporations	159,056	162,398
Alberta Enterprise Corporation	1,737	1,191
Department and Access to the Future Fund		
Support for Adult Learning	236,951	283,109
Apprenticeship Delivery	31,543	29,864
Alberta Centennial Education Savings Plan	17,713	15,359
Research and Innovation Capacity	10,615	13,545
Technology Commercialization	11,095	11,959
Ministry Support Services	30,556	29,301
Ministry Expense	5,293,001	5,142,411
Write-down of Tangible Capital Assets	3,132	2,180
Loss on Disposal of Tangible Capital Assets	1,121	8,080
Ministry Net Operating Results	$(2,317,254)	$(2,241,072)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at March 31, 2012 *(in thousands)*

	2012	2011 (Restated)
Assets		
Cash and Cash Equivalents (Schedule 6)	$ 1,279,132	$ 1,453,205
Accounts Receivable and Other Assets (Note 4)	457,814	377,257
Portfolio Investments (Schedule 7)	3,395,270	3,236,726
Loans Receivable (Note 5)	594,132	438,298
Tangible Capital Assets (Note 6)	7,213,172	6,719,170
Inventory	32,261	41,763
Prepaid Expenses	45,432	36,261
	$ 13,017,213	$ 12,302,680
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 681,288	$ 707,387
Unearned Revenue (Note 8)	1,035,439	1,033,205
Other Long Term Liabilities (Note 9)	698,770	713,467
Accrued Pension Benefits (Note 16)	234,342	217,755
	2,649,839	2,671,814
Net Assets		
Opening Net Assets	9,630,866	8,652,258
Net Operating Results	(2,317,254)	(2,241,072)
Increase in Post-Secondary Institution Endowments and other Net Assets (Note 13)	55,556	43,443
Net Financing Provided from General Revenues	2,998,206	3,176,237
Net Assets at End of Year	10,367,374	9,630,866
	$ 13,017,213	$ 12,302,680

Contractual Obligations and Contingent Liabilities (Notes 10 and 11)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31, 2012 *(in thousands)*

	2012	2011 (Restated)
Operating Transactions		
Net Operating Results	$(2,317,254)	$(2,241,072)
Non-cash Items included in Net Operating Results		
Amortization	426,156	378,789
Write-down of Portfolio Investments	—	1,189
Write-down of Tangible Capital Assets	1,121	2,180
Adjustment to Tangible Capital Assets	386	12,626
Loss on Disposal of Tangible Capital Assets	3,132	8,080
Donation of Capital Assets	(57,929)	(58,026)
Valuation Adjustments		
Provision for Employee Future Benefits	15,990	9,000
Provision for Future Cost of Student Loans Issued	57,785	89,084
Provision for Vacation Pay and Other Provisions	688	(197)
	(1,869,925)	(1,798,347)
(Increase) Decrease in Accounts Receivable	(80,557)	3,896
Increase in Prepaid Expenses	(9,171)	(201)
(Increase) Decrease in Inventory	9,502	(990)
Decrease in Accounts Payable and Accrued Liabilities	(26,099)	(45,575)
Increase in Unearned Revenue	2,234	129,324
Cash Applied to Operating Transactions	(1,974,016)	(1,711,893)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 6)	(868,728)	(1,288,088)
Capital Assets Transferred Out	—	1,229
Proceeds from Disposal of Tangible Capital Assets	1,859	1,612
Cash Applied to Capital Transactions	(866,869)	(1,285,247)
Investing Transactions		
Net Change in Loans Receivable	(213,708)	(206,932)
Net Purchase of Portfolio Investments	(158,544)	(72,799)
Cash Applied to Investing Transactions	(372,252)	(279,731)
Financing Transactions		
Net Financing Provided from General Revenues	2,998,206	3,176,237
Increase in Endowment and other Net Assets	55,556	43,443
Debt Issues	19,522	98,797
Debt Retirement	(34,220)	(25,926)
Other	—	4,594
Cash Provided by Financing Transactions	3,039,064	3,297,145
(Decrease) Increase in Cash	(174,073)	20,274
Cash and Cash Equivalents, Beginning of Year	1,453,205	1,432,931
Cash and Cash Equivalents, End of Year	$ 1,279,132	$ 1,453,205

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2012

Note 1 Authority and Purpose

The Minister of Advanced Education and Technology has been designated as responsible for various Acts by the *Government Organization Act*, Chapter G-10, revised Statutes of Alberta 2000 and its regulations. Below are the organizations that form the Ministry of Advanced Education and Technology and the authority under which each organization operates. Schedule 8 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Advanced Education and Technology	*Government Organization Act*
Access to the Future Fund	*Access to the Future Act*
Alberta Enterprise Corporation	*Alberta Enterprise Corporation Act*
Alberta Innovates Corporations	*Alberta Research and Innovation Act*
Public Post-Secondary Institutions	*Post-secondary Learning Act*

In support of Alberta's vision, Advanced Education and Technology's purpose is to assist Alberta to be a learning and innovative society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Advanced Education and Technology, for which the Minister of Advanced Education and Technology is accountable. The accounts of the Department are fully consolidated with the entities listed in Schedule 8 on a line-by-line basis. Revenue and expense, capital, investing and financing transactions and related asset and liability accounts between the consolidated entities have been eliminated. The threshold for recognizing inter-entity transactions among SUCH sector entities (Schools, Universities, Colleges and Hospitals) and between SUCH sector entities and other government controlled entities is $1,000,000 for particular transaction types and balances.

The year-end of the Access to the Future Fund, Alberta Enterprise Corporation, Alberta Innovates Corporations, University of Alberta, University of Calgary, University of Lethbridge, Athabasca University and the Banff Centre is March 31.

The year-end for colleges, technical institutes, Grant MacEwan University and Mount Royal University is June 30. Transactions of these organizations that have occurred between the period July 1, 2011 to March 31, 2012, and that significantly affect the consolidated accounts, have been recorded.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue. Externally restricted revenue is recognized as revenue in the period in which the resources are used for the purpose specified. Funds received prior to meeting the criterion are recorded as unearned revenue until the resources are used for the purpose specified.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal transfers are recognized as revenue in the period in which the resources are used for the purpose specified. Payments received prior to meeting this criterion are included in unearned revenue until the resources are used for the purpose specified.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Payments received prior to meeting any conditions, are included in unearned revenue until the resources are used for the purpose specified.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for. In addition to program operating expenses such as salaries and supplies, directly incurred expenses also include:

- amortization of tangible capital assets.
- inventory consumed.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to Universities Academic Pension Plan, student loans and vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria, if any are met and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedules 4 and 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

Portfolio investments are recorded at cost. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major enhancements is $100,000. The threshold for all other tangible capital assets is $5,000 and $1,000 as determined by the entities. All land is capitalized.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Expenses for patents owned by the Ministry as a result of research activity are not capitalized due to the uncertain value of benefits that may accrue to the Ministry.

Expenses on the acquisition or development of other intangible assets including intellectual capital are not capitalized as currently there is no acceptable methodology for measuring the value of future benefits accruing to the Ministry.

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Post-secondary institutions have collections consisting of historical artifacts and provincial, national and international works of art. The value of these collections $156,617,000 (2011 - $154,742,000) is not recognized in the financial statements.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arms length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities and unearned revenue are estimated to approximate their carrying values because of the short term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. The fair values of loans receivable and liability for student loans issued are not reported as there is no organized financial market for these instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Payments under Reciprocal and Other Agreements

The Ministry entered into agreements with the Federal Government to provide services on its behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the Federal Government and are not included in these consolidated financial statements. Amounts paid and recovered under agreements are disclosed in Note 12.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are:

- the allowance for loan relief completion payments of $75,968 (2011 - $112,564),
- the allowance for impaired loans amounting to $58,117 (2011 - $42,525),
- the allowance for loan subsidy amounting to $32,161 (2011 - $24,604),
- the allowance for repayment assistance amounting to $1,562 (2011 - $0) and
- the liability for student loans issued amounting to $0 (2011 - $1,526).

The Ministry has made certain estimates in the following areas:

- Completion rates and the number of students exceeding their maximum debt limit in the determination of the allowance for loan relief completion payments.
- Recovery and default rates in the determination of the allowance for impaired loans.
- Student loan amortization periods in the determination of the allowance for loan subsidy.
- Future interest, recovery and default rates in the determination of the liability for student loans.
- Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

With respect to the Universities Academic Pension Plan, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2012 extrapolated results. Assumptions include an amortization period based upon the estimated average remaining service life of approximately 10.2 years (2011 - 11.3 years), a discount rate of 6.5% (2011 - 6.5%), an inflation rate of 2.25% (2011 - 2.25%) and a salary escalation rate of 3.5% (2011 - 3.5%).

Changes in these estimates could materially impact the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy, the liability for student loans issued, the allowance for repayment assistance and the unfunded liability for the Universities Academic Pension Plan.

Government Endowment Funds for Research and Scholarships

(in thousands)

The Alberta Heritage Foundation for Medical Research Endowment Fund was continued under the *Alberta Research and Innovation Act* for the purpose of supporting medical research. The Alberta Heritage Science and Engineering Research Endowment Fund was also continued under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Finance controls these endowments, however, the Ministry of Advanced Education and Technology has an economic interest in the endowments as they assist in funding Ministry programs. Additional information on these endowments can be found in the financial statements for Alberta Finance.

	Net Assets			
	2012		2011	
	Value at Cost	Market Value	Value at Cost	Market Value
Alberta Heritage Foundation for Medical Research Endowment Fund	$ 1,255,039	$ 1,364,081	$ 1,263,857	$ 1,343,638
Alberta Heritage Science and Engineering Research Endowment Fund	721,177	781,845	726,812	768,594
Alberta Heritage Scholarship Fund	715,482	769,576	720,740	755,030
	$ 2,691,698	$ 2,915,502	$ 2,711,409	$ 2,867,262

Note 3 *Restatements of Prior Year Amounts*

(in thousands)

The method of funding the eligible initiatives from the lottery and gaming proceeds was changed during the year. Previously, they were funded directly from the Lottery Fund and were included in the Ministry's revenues (2011 - $105,000). However, such proceeds are now deposited into the General Revenue Fund to finance the eligible initiatives. Financial statements for prior years have been restated as if the current arrangement had always existed.

Likewise, the Ministry no longer receives the Canada Social Transfer, as it is now recorded by the Department of Finance. Prior year amounts have been restated to reflect both a reduction in revenue (2011 - $526,214) and in accounts receivable from the Government of Canada (2011 - $6,319).

Furthermore, the ministry consolidates post-secondary institutions with March 31 or June 30 year ends. Certain institutions restated their prior year financial statements for changes in accounting policies and errors. As a result, the Ministry restated the 2011 results for these.

The impact of all these are:

	March 31, 2011		
	As Previously Stated	Adjustments	Restated Amounts
Assets	$12,298,188	$ 4,492	$12,302,680
Liabilities	2,671,900	(86)	2,671,814
Revenue	3,532,796	(621,197)	2,911,599
Expenses	5,142,489	10,182	5,152,671
Net Operating Results	(1,609,693)	(631,379)	(2,241,072)
Net Financing provided from General Revenue	2,545,777	630,460	3,176,237
Net Assets at March 31, 2010	8,646,761	5,497	8,652,258
Increase in Endowments and Other Net Assets	43,443	—	43,443
Net Assets at End of Year	$ 9,626,288	$ 4,578	$ 9,630,866

Note 4 Accounts Receivable and Other Assets

(in thousands)

	2012			2011
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
				(Restated)
Accounts Receivable	$ 442,064	$ (5,058)	$ 437,006	$ 356,544
Other Assets	20,808	—	20,808	20,713
	$ 462,872	$ (5,058)	$ 457,814	$ 377,257

Accounts receivable are unsecured, non-interest bearing and reported at their net realizable value.

Note 5 Loans Receivable

(in thousands)

	2012	2011
Loans Receivable	$ 761,940	$ 617,991
Less:		
Allowance for Loan Relief Completion Payments	(75,968)	(112,564)
Allowance for Impaired Loans	(58,117)	(42,525)
Allowance for Loan Subsidy	(32,161)	(24,604)
Allowance for Repayment Assistance	(1,562)	—
	$ 594,132	$ 438,298

Under the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students on terms prescribed by the Minister of Advanced Education and Technology.

Loans become payable and interest is earned when students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits. The Minister announced in February 2012 that completion and retention grants will replace the previous remission program effective August 1, 2012. As a result, the Allowance for Loan Relief Completion Payments has been reduced to $76 million, reflecting an estimate of the final payments to be issued in 2012-13.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for loan relief completion payments is a provision that estimates the amount of loans receivable that will be forgiven through loan relief completion payments.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Ministry does not receive interest payments over the term of the loans to fully cover the Ministry's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Ministry through the repayment assistance program.

Note 6 Tangible Capital Assets

(in thousands)

	2012							2011 (Restated)
	Land	Building	Land Improvement	Equipment [3]	Computer Hardware and Software	Other [4]	Total	Total
Estimated Useful Life		3-50 years	10-40 years	1-25 years	1-25 years			
Historical Cost [1]								
Beginning of year (Restated)	$ 246,342	$ 7,761,301	$ 24,652	$ 1,733,846	$ 888,136	$ 638,488	$ 11,292,765	$10,048,192
Additions [2]	20,871	585,857	1,034	231,529	44,667	42,699	926,657	1,346,115
Transfers	—	—	—	—	—	—	—	(1,229)
Disposals, including write-downs	(415)	(2,596)	—	(25,332)	(30,369)	(1,346)	(60,058)	(79,503)
Adjustments [5]	1,774	8,355	15,428	(5,961)	(4,612)	(13,170)	1,814	(20,810)
	268,572	8,352,917	41,114	1,934,082	897,822	666,671	12,161,178	11,292,765
Accumulated Amortization								
Beginning of year (Restated)	—	2,366,814	6,918	1,033,156	742,287	424,420	4,573,595	4,271,054
Amortization expense	—	185,635	1,074	142,082	59,815	37,550	426,156	378,789
Effect of disposal including write-downs	—	(1,456)	—	(23,145)	(29,125)	(1,341)	(55,067)	(67,969)
Adjustments [5]	—	5,985	4,498	(3,417)	(1,261)	(2,483)	3,322	(8,279)
	—	2,556,978	12,490	1,148,676	771,716	458,146	4,948,006	4,573,595
Net Book Value at March 31, 2012	$ 268,572	$ 5,795,939	$ 28,624	$ 785,406	$ 126,106	$ 208,525	$ 7,213,172	
Net Book Value at March 31, 2011	$ 246,342	$ 5,394,487	$ 17,734	$ 700,690	$ 145,849	$ 214,068		$ 6,719,170

(1) Historical cost includes work-in-progress at March 31, 2012 totalling $606,167 comprised of Building and Site Improvements - $554,808, Equipment - $33,662, and Computer Hardware and Software - $17,274, Land Improvement - $97, Other - $326.

(2) Additions include donated capital assets in the amount of $57,929 (2011 - $8,026).

(3) Equipment includes vehicles, heavy equipment, office equipment and furniture, other equipment and library materials.

(4) Includes leasehold improvements, library materials and asset retirement obligations.

(5) Includes adjustments for accounting policy alignments and reclassifications between capital asset categories.

Note 7 Accounts Payable and Accrued Liabilities

(in thousands)

	2012	2011 (Restated)
Accounts Payable	$ 12,646	$ 11,592
Accrued Liabilities	668,642	694,269
Liabilities for Student Loans Issued [a]	—	1,526
	$ 681,288	$ 707,387

(a) Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students. These student loans resulted in a liability to the government for loan relief completion payments, interest, guarantees and risk premium. Effective March 31, 2012 a liability for student loans issued will no longer be recorded due to low and decreasing materiality.

Note 8 Unearned Revenue

(in thousands)

	2012	2011 (Restated)
Restricted Contributions [a]	$ 890,418	$ 908,528
Unearned Service Revenue [b]	145,021	124,677
	$ 1,035,439	$ 1,033,205

(a) Contributions have been restricted by third parties.

(b) Payments received prior to service being provided, primarily tuition payments, are recorded as unearned service revenue.

Note 9 Other Long Term Liabilities

(in thousands)

	Maturity	Average Interest Rate	Book Value 2012 (b)	Book Value 2011 (b) (Restated)
Debentures (a)	Up to December 2047	5.06%	$ 674,668	$ 682,366
Bank Loan	March 2016	4.63%	2,284	3,171
Mortgages	March 2016	6.25%	2,351	526
Other (c)			13,950	20,420
			693,253	706,483
Liabilities under Capital Leases (d)			5,517	6,984
			$ 698,770	$ 713,467

(a) Debentures are payable to Alberta Capital Finance Authority.

(b) Book value approximates fair market value.

(c) Primarily includes asset retirement obligations.

(d) The calculation of the liabilities under capital leases are as follows:

	2012	2011 (Restated)
Liabilities, beginning of the year	$ 6,984	$ 6,711
Additions to liabilities during the year	1,169	3,410
Principal payments	(2,636)	(3,137)
Liabilities, end of year	$ 5,517	$ 6,984

Principal repayments in each of the next five years and thereafter are as follows:

2012-13	$ 26,553
2013-14	30,604
2014-15	29,102
2015-16	26,824
2016-17	26,949
Thereafter	558,738
	$ 698,770

Note 10 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2012	2011 (Restated)
Obligations under Operating Leases, Contracts and Programs	$ 948,760	$ 1,454,389
Loans and Advances Approved (a)	7,361	7,526
Contractual Obligations, end of year	$ 956,121	$ 1,461,915

(a) Loans and Advances Approved are comprised of uncashed student loans.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	2012		
	Obligations under Operating Leases, Contracts and Programs	Loans and Advances Approved	Total
2012-13	$ 453,818	$ 7,361	$ 461,179
2013-14	233,848	—	233,848
2014-15	89,983	—	89,983
2015-16	57,043	—	57,043
2016-17	32,875	—	32,875
Thereafter	81,193	—	81,193
	$ 948,760	$ 7,361	$ 956,121

Note 11 Contingent Liabilities

(in thousands)

At March 31, 2012, the Ministry of Advanced Education and Technology was named as a defendant in 7 (2011 - 12) specific legal actions. The total claimed in 6 (2011 - 9) actions approximates $658 (2011 - $66,489). For the other claims, no specified amounts have yet been claimed; the amount of these claims will be determined at trial. The resulting loss, if any, from these claims cannot be determined.

The Public Post Secondary Institutions also entered into employment contracts that included a commitment to provide or guarantee housing loans in the amount of $989 (2011 - $1,541).

Note 12 Payments under Agreement

(in thousands)

The Ministry has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, section 25. Accounts receivable includes $78,101 (2011 - $11,237) and accounts payable and accrued liabilities includes $10,058 (2011 - $7,096) relating to payments under agreement.

Net amounts paid and (payable) under agreements on behalf of the Government of Canada:

	2012	2011
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (281)	$ (314)
Government of Canada		
Canada Study Grants	(333)	(236)
Canada Access Grants	(8)	(16)
Canada Student Grants	73,844	72,455
French Minority Language Education and French Second Language Instruction	4,226	7,178
	$ 77,448	$ 79,067

Note 13 Endowments and Other Net Assets

(in thousands)

Endowment funds are included in net assets and are represented by financial assets amounting to $1,490,109. Donors have placed restrictions on their contributions to the endowment funds of universities and colleges. The principal restriction is that the original contribution not be spent. Other potential restrictions are that any investment income of the endowment that is required to offset the impact of inflation not be spent.

	2012	2011
Beginning Balance	$ 1,427,240	$ 1,383,797
Contributions	76,171	86,195
Capitalization of Investment Earnings	9,820	(56,267)
Net Transfers to Unrestricted Net Assets / Deferred Contributions	(13,446)	3,839
Increase (Decrease) in Other Net Assets	(16,989)	9,676
Ending Balance	$ 1,482,796	$ 1,427,240

Note 14 Trust Funds Under Administration

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements. Total net assets of trust funds under the administration of the Ministry at March 31, 2012 were $0 (2011 - $96 restated).

Note 15 Funds Held on Behalf of Others

(in thousands)

The Ministry holds funds on behalf of others over which they have no power of appropriation. Because the Ministry has no equity in the funds and holds them for the purposes of various other organizations, they are not included in the Ministry's financial statements. Total net assets of the funds held on behalf of others by the Ministry at March 31, 2012 were $16,411 (2011 - $18,479 restated).

Note 16

Benefit Plans

(in thousands)

Ministry Pension Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Local Authorities Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $110,877 for the year ended March 31, 2012 (2011 - $131,983).

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of $517,726 (2010 - deficiency of $397,087), the Local Authorities Pension Plan reported a deficiency of $4,639,390 (2010 - deficiency of $4,635,250) and the Public Service Pension Plan reported a deficiency of $1,790,383 (2010 - deficiency of $2,067,151). At December 31, 2011, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $53,489 (2010 - deficiency of $39,559).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2012, the Bargaining Unit Plan reported an actuarial surplus of $9,136 (2011 - deficiency of $4,141) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $10,454 (2011 - surplus of $7,020). The expense for these two plans is limited to the employer's annual contributions for the year.

Certain consolidated entities provide defined supplementary executive retirement plans for certain management staff, and other benefit plans for all or specific groups of staff, depending on the plans. The cost of these benefits are actuarially determined on an annual basis using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. At March 31, 2012, these plans have net accrued liability of $54,994 (2011 - $49,529). The expense recorded in these financial statements is $4,786.

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge, and Athabasca and Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Employment Pension Plans Act*.

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2010 - 1.25%) of salaries by Alberta Finance and the balance of the required contributions is equally split between employees and employers. Employees and employers are responsible for fully funding service after 1991.

The 2011 UAPP Annual Report identifies an unfunded liability at December 31, 2011 in the amount of $1,160,100 (2010 - $1,122,900). An actuarial extrapolation of this amount to March 31, 2012, adjusted for public sector reporting standards, estimates the unfunded liability at $1,153,334 (2011 - $992,934) and unamortized actuarial losses totalling $257,272 (2011 - $200,900). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Finance	Employees	Employers	March 31, 2012 Extrapolated Results	March 31, 2011 Extrapolated Results
Pre '92	$ 314,798	$ 222,262	$ 222,262	$ 759,322	$ 700,812
Post '91	—	197,007	197,006	394,013	292,122
Total Unfunded Liability	$ 314,798	$ 419,269	$ 419,268	$ 1,153,335	$ 992,934

The expense recorded in these financial statements is $94,408. Additional information on UAPP can be found in the Annual Report of UAPP.

Total Employer Pension Liability

	2012	2011
UAPP		
Total Unfunded Liability	$ 419,269	$ 338,755
Actuarial Net Loss	(239,921)	(170,529)
UAPP Pension Liability Recorded	179,348	168,226
Supplementary Pension Plans	54,994	49,529
Total Pension Liability Recorded	$ 234,342	$ 217,755

Note 17 Derivative Contracts and Related Credit Risk

(in thousands)

The Ministry uses derivative contracts to improve investment return and to manage interest and currency risks. Derivative contracts have credit risks that could expose the Ministry to potential losses. Credit risk for derivative contracts is the risk that the counterparty will not pay its obligation when it comes due.

The following is a summary of the fair values and maturity schedules of the Ministry's derivative contracts by type, segregated contracts in a favourable and unfavourable position. Derivatives in a favourable position have positive fair values which represent amounts owed to the Ministry by counterparties.

	Maturity			Contract Notional Amount	Fair Values	
	Under 1 Year	1 to 3 Years	Over 3 Years		Favourable Position	Unfavourable Position
Forward Foreign Exchange Contracts	100%	—	—	$ 681,440	$ 4,011	$ —
Interest Rate Swap Contracts	10%	15%	75%	839	—	78
Total 2012				$ 682,279	$ 4,011	$ 78

Note 18 Subsequent Events

On May 8, 2012, the government announced cabinet restructuring. As a result, the Ministry of Advanced Education and Technology was restructured. The Ministry will assume responsibility for Enterprise, Economic Development, Labour Force and Immigration programs. These programs were transferred from the Ministry of Treasury Board and Enterprise and the Ministry of Human Services. The Ministry is renamed as "Ministry of Enterprise and Advanced Education".

Note 19 Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 presentation.

Note 20 Approval of Financial Statements

The financial statements were approved by the Deputy Minister and the Senior Financial Officer.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2012

Schedule 1 Consolidated Revenues

(in thousands)

	2012 Actuals	2011 Actuals (Restated)
Internal Government Transfers		
Alberta Heritage Scholarship Fund	$ 36,643	$ 36,721
Access to the Future Fund	49,656	48,398
Alberta Heritage Science and Engineering Research Endowment Fund	41,500	34,500
Alberta Heritage Foundation for Medical Research Endowment Fund	75,950	77,000
Alberta Innovates Corporations	8,942	16,059
Post-Secondary Institutions	204,080	196,816
	416,771	409,494
Transfers from Government of Canada		
Knowledge Infrastructure Program	24,420	73,260
Public Post-Secondary Institutions	322,291	334,053
Other	3,256	3,771
	349,967	411,084
Investment Income		
Interest on Student Loans Issued	10,250	7,162
Public Post-Secondary Institutions	107,637	105,183
Other	933	2,769
	118,820	115,114
Premiums, Fees and Licenses		
Apprenticeship Services	4,789	4,471
License Fees	165	157
Other	53	173
	5,007	4,801
Tuition and Non-Credit Courses		
Tuition and Non-Credit Courses	988,839	937,093
	988,839	937,093
Sales, Rentals and Services		
Sales	487,637	464,478
Ancillary Services	65,817	83,222
Contract Revenue	108,953	107,783
	662,407	655,483
Donations, Grants and Contributions		
Donations	252,959	257,845
Grants and Contributions	177,671	114,079
	430,630	371,924
Other Revenue		
Refunds of Expenditure	3,083	2,632
Miscellaneous	4,476	3,974
	7,559	6,606
	$ 2,980,000	$ 2,911,599

Schedule 2 Consolidated Expenses Directly Incurred Detailed by Object

(in thousands)

	2012 Actual	2011 Actual (Restated)
Voted		
Grants	$ 458,369	$ 519,121
Salaries, Wages and Employee Benefits	3,081,005	2,960,514
Supplies and Services	1,292,064	1,254,440
Financial Transactions and Other	472	(279)
Interest on Long-term Debt	34,935	30,076
Amortization of Tangible Capital Assets	426,156	378,789
	5,293,001	5,142,661
Less:		
Recoveries from Support Service Arrangements with Related Parties (a)	—	(250)
	$ 5,293,001	$ 5,142,411

(a) The Ministry provides information technology support services to the Ministry of Human Services $0 (2011 - $250). Costs for these services are recovered from that Ministry.

Schedule 3 Consolidated Reconciliation of Budget with Actuals

(in thousands)

	2012				
	Authorized Budget	Actual without SUCH Sector and Research Corporations	Actual SUCH Sector and Research Corporations	Adjustments	Actual with SUCH Sector and Research Corporations
Revenues					
Internal Government Transfers	$ 203,299	$ 203,749	$ 2,685,332	$(2,472,310)	$ 416,771
Transfers from Government of Canada	3,045	27,591	272,832	49,544	349,967
Investment Income	14,705	9,411	112,135	(2,727)	118,819
Premiums, Fees and Licences	7,960	7,020	53	(2,066)	5,007
Tuition and Non-Credit Courses	—	—	988,839	—	988,839
Sales, Rentals and Service	—	34	667,880	(5,507)	662,407
Donations, Grants and Contributions	—	—	544,383	(113,753)	430,630
Other Revenue	4,525	3,524	5,314	(1,278)	7,560
Total Revenues	$ 233,534	$ 251,329	$ 5,276,768	$(2,548,097)	$ 2,980,000
Expenses					
Grants	$ 2,924,858	$ 2,844,483	$ 342,102	$(2,728,216)	$ 458,369
Supplies and Services	52,238	51,084	1,246,646	(5,666)	1,292,064
Salaries, Wages and Employee Benefits	64,278	58,252	3,021,738	1,015	3,081,005
Amortization of Tangible Capital Assets	4,397	4,254	421,867	35	426,156
Financial Transactions and Other	220	273	35,034	100	35,407
Total Expenses	$ 3,045,991	$ 2,958,346	$ 5,067,387	$(2,732,732)	$ 5,293,001

Schedule 4 Consolidated Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties which are recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2012	2011 (Restated)
Revenues		
Grants	$ 378,573	$ 404,305
Other	147,965	128,051
	$ 526,538	$ 532,356
Expenses – Directly Incurred		
Grants	$ 5,890	$ 15,478
Other Services	92,893	68,638
	$ 98,783	$ 84,116
Tangible Capital Assets Transferred In (Out)	$ —	$ (1,229)
Receivables from	$ 15,701	$ 15,804
Payables to	$ 46,336	$ 21,846
Unearned Revenue	$ 168,288	$ 173,391
Debt to Related Parties	$ 672,592	$ 678,596
Contractual Obligations	$ 7,345	$ 7,860

The above transactions do not include support service arrangement transactions disclosed in Schedule 5.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal expenses and Shared Service costs incurred by others are disclosed in Schedule 5.

	2012	2011
Expenses – Incurred by Others		
Accommodation	$ 21,878	$ 22,093
Legal	752	649
Air Transportation Services / Executive Vehicle	110	96
Internal Audit	149	67
Shared Services	3,331	4,004
GOA Learning Centre	34	35
	$ 26,254	$ 26,944

Schedule 5 Consolidated Allocated Costs

(in thousands)

	2012					2011
		Expenses – Incurred by Others				
	Expenses	Accommodation Costs	Shared Services	Legal Services	Total Expenses	Total Expenses
	(a)	(b)	(c)	(d)		(Restated)
Program						
Public Post-Secondary Institutions	$ 4,793,735	$ —	$ —	$ —	$ 4,793,735	$ 4,595,685
Alberta Innovates Research Corporations	159,056	15,707	—	—	174,763	176,944
Alberta Enterprise Corporation	1,737	—	—	—	1,737	1,191
Department						
Support for Adult Learning	236,951	2,147	—	103	239,201	285,743
Apprenticeship Delivery	31,543	2,261	—	117	33,921	32,757
Alberta Centennial Education Savings Plan	17,713	—	—	—	17,713	15,359
Research and Innovation Capacity	10,615	332	—	122	11,069	13,989
Technology Commercialization	11,095	726	—	51	11,872	12,857
Ministry Support Services	30,556	705	3,331	359	34,951	34,632
	$ 5,293,001	$ 21,878	$ 3,331	$ 752	$ 5,318,962	$ 5,169,157

(a) Expenses – Directly Incurred as per Statement of Operations. Support to post-secondary learners includes the provision for future costs of student loans issued.

(b) Costs are as shown for Accommodation on Schedule 4 and allocated to participating entities and by proportion of full-time equivalent staff.

(c) Shared Services costs, as shown on Schedule 4, are allocated only to Ministry Support Services because the services are related to ministry support functions.

(d) Costs are as shown for Legal Services on Schedule 4 and allocated by estimated costs incurred by each program.

Schedule 6 Consolidated Cash and Cash Equivalents

(in thousands)

At March 31, 2012, securities held by Fund have an average effective yield of 1.16% (2011 - 0.87%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

	2012		2011 (Restated)	
	Book Value	Fair Value	Book Value	Fair Value
Cash (a)	$ 491,420	$ 491,420	$ 394,722	$ 394,722
Cash Equivalents (b)	787,712	787,712	1,058,483	1,058,483
	$ 1,279,132	$ 1,279,132	$ 1,453,205	$ 1,453,205

(a) Cash includes deposits in Consolidated Cash Investments Trust Fund (CCITF).

(b) Cash Equivalents have a maximum maturity of 120 days at date of purchase. It includes money market funds, short-term notes and Treasury bills.

Schedule 7 Consolidated Portfolio Investments

(in thousands)

	2012		2011 (Restated)	
	Book Value	Fair Value	Book Value	Fair Value
Interest Bearing Securities (a)				
Deposits and Short-term Securities	$ 697,061	$ 696,949	$ 862,502	$ 862,531
Bonds and Mortgages	1,265,487	1,298,487	1,072,728	1,085,654
Asset-backed Commercial paper	96,531	135,219	98,131	128,247
	2,059,079	2,130,655	2,033,361	2,076,432
Equities				
Canadian Equities	504,236	568,589	477,605	596,485
Foreign Equities	713,942	761,131	690,455	722,710
	1,218,178	1,329,720	1,168,060	1,319,195
Inflation Sensitive and Alternative Investments				
Real Estate	50,441	50,734	986	986
Other Investments	67,572	67,572	34,319	34,782
	118,013	118,306	35,305	35,768
	$ 3,395,270	$ 3,578,681	$ 3,236,726	$ 3,431,395

(a) Interest-bearing securities reported by March 31, 2012 have an average market yield of 2.54% (2011 - 2.30%) per annum.

	2012	2011 (Restated)
Under 1 year	43%	49%
1 to 5 years	31%	28%
6 to 10 years	10%	12%
11 to 20 years	10%	5%
Over 20 years	6%	6%
	100%	100%

Schedule 8 *Entities Included in the Consolidated Financial Statements*

Department of Advanced Education and Technology

Funds and Agencies

- Access to the Future Fund
- Alberta Enterprise Corporation

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

- Athabasca University
- University of Alberta
- University of Calgary
- University of Lethbridge

Baccalaureate and Applied Studies Institutions

- Grant MacEwan University
- Mount Royal University

Polytechnical Institutions

- Northern Alberta Institute of Technology
- Southern Alberta Institute of Technology

Comprehensive Community Institutions

- Bow Valley College
- Grande Prairie Regional College
- Keyano College
- Lakeland College
- Lethbridge College
- Medicine Hat College
- NorQuest College
- Northern Lakes College
- Olds College
- Portage College
- Red Deer College

Specialized Arts and Culture Institutions

- Alberta College of Art + Design
- Banff Centre

Alberta Innovates Corporations

- Alberta Innovates – Bio Solutions
- Alberta Innovates – Energy and Environment Solutions
- Alberta Innovates – Health Solutions
- Alberta Innovates – Technology Futures

Department of Advanced Education and Technology

Financial Statements

March 31, 2012 *Audited Information*

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

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5 Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

6 Funding Provided to Post-Secondary Institutions and Research Entities

7 Lottery Fund Estimates

8 Salary and Benefits Disclosure

9 Related Party Transactions

10 Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Enterprise and Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Advanced Education and Technology, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Advanced Education and Technology as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 11, 2012
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2012

(in thousands)

	2012 Budget	2012 Actual	2011 Actual (Restated)
Revenues (Schedule 1)			
Internal Government Transfers	$ 153,643	$ 154,093	$ 148,221
Transfers from Government of Canada	2,900	27,591	77,031
Investment Income	14,500	10,250	7,436
Premiums, Fees and Licences	7,960	7,020	7,069
Other Revenue	4,525	3,584	3,691
	183,528	202,538	243,448
Expenses – Directly Incurred (Note 2b and Schedules 3 and 10)			
Program (Schedule 5)			
Ministry Support Services	31,090	30,693	29,254
Support for Adult Learning	2,408,677	2,352,661	2,311,303
Post-Secondary Infrastructure	251,085	255,602	603,251
Apprenticeship Delivery	38,116	34,056	32,424
Research and Innovation Capacity	140,690	148,244	147,339
Technology Commercialization	118,888	119,212	107,351
Alberta Centennial Education Savings Plan	19,000	17,713	15,359
	3,007,546	2,958,181	3,246,281
Net Operating Results	$(2,824,018)	$(2,755,643)	$(3,002,833)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

as at March 31, 2012

(in thousands)

	2012	2011 (Restated)
Assets		
Cash	$ 1,056	$ 4,106
Accounts Receivable (Note 4)	108,591	20,314
Loans Receivable (Note 5)	594,132	438,298
Tangible Capital Assets (Note 6)	24,669	24,098
	$ 728,448	$ 486,816
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 25,375	$ 26,301
Unearned Revenue	507	512
	25,882	26,813
Net Assets		
Net Assets at Beginning of Year	460,003	286,600
Net Operating Results	(2,755,643)	(3,002,833)
Net Financing Provided from General Revenues	2,998,206	3,176,236
Net Assets at End of Year	702,566	460,003
	$ 728,448	$ 486,816

Contractual Obligations and Contingent Liabilities (Notes 8 and 9)

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2012 *(in thousands)*

	2012	2011 (Restated)
Operating Transactions		
Net Operating Results	$ (2,755,643)	$ (3,002,833)
Non-cash Items included in Net Operating Results		
Amortization	4,254	4,529
Provision for Future Cost of Student Loans Issued	57,785	89,084
Provision for Vacation Pay and Other Provisions	90	(268)
	(2,693,514)	(2,909,488)
(Increase) Decrease in Accounts Receivable	(88,277)	30,107
Decrease in Accounts Payable and Accrued Liabilities	(926)	(87,618)
Increase (Decrease) in Unearned Revenue	(5)	42
Cash Applied to Operating Transactions	(2,782,722)	(2,966,957)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 6)	(4,826)	(4,960)
Capital Assets Transferred to Other Ministries	—	1,229
Cash Applied to Capital Transactions	(4,826)	(3,731)
Investing Transactions		
Net Change in Loans Receivable	(213,708)	(206,931)
Cash Applied to Investing Transactions	(213,708)	(206,931)
Financing Transactions		
Net Financing Provided from General Revenues	2,998,206	3,176,236
Cash Provided by Financing Transactions	2,998,206	3,176,236
Decrease in Cash and Cash Equivalents	(3,050)	(1,383)
Cash and Cash Equivalents at Beginning of Year	4,106	5,489
Cash and Cash Equivalents at End of Year	$ 1,056	$ 4,106

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2012

Note 1 Authority and Purpose

The Department of Advanced Education and Technology operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

In support of Alberta's vision, Advanced Education and Technology's purpose is to assist Alberta to be a learning and innovative society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Advanced Education and Technology, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. Other entities accountable to the Minister are the Access to the Future Fund, the Alberta Enterprise Corporation, Alberta Innovates corporations and Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by yearend is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Transfers from Government of Canada

Transfers from the Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies, etc. directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances are used to reflect financial assets at their net recoverable or other appropriate value. For the Department, valuation adjustments represent the

change in management's estimate of future payments arising from obligations relating to student loans and vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Department operations are not recognized and are disclosed in Schedule 9 and allocated to programs in Schedule 10.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Assets acquired by right are not included.

Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Department and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are:

- the allowance for loan relief completion payments of $75,968 (2011 - $112,564),
- the allowance for impaired loans amounting to $58,117 (2011 - $42,525),
- the allowance for loan subsidy amounting to $32,161 (2011 - $24,604),
- the allowance for repayment assistance amounting to $1,562 (2011 - $0) and
- the liability for student loans issued amounting to $0 (2011 - $1,526).

The Department has made certain estimates in the following areas:

- Completion rates and the number of students exceeding their maximum debt limit in the determination of the allowance for loan relief completion payments.
- Recovery and default rates in the determination of the allowance for impaired loans.
- Student loan amortization periods in the determination of the allowance for loan subsidy.
- Future interest, recovery and default rates in the determination of the liability for student loans.
- Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

Changes in these estimates could materially impact the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy, the liability for studen: loans issued and the allowance for repayment assistance.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

The fair values of loans receivable and liabilities for student loans issued are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Government Endowment Funds for Research and Scholarships

The Alberta Heritage Foundation for Medical Research Endowment Fund was continued under the *Alberta Research and Innovation Act* for the purpose of supporting medical research. The Alberta Heritage Science and Engineering Research Endowment Fund was also continued under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Finance controls these endowments. However, the Department of Advanced Education and Technology has an economic interest in the endowments as they assist in funding Department programs. Additional information on these endowments can be found in the financial statements for Alberta Finance.

(in thousands)

	Net Assets			
	2012		2011	
	Value at Cost	Market Value	Value at Cost	Market Value
Alberta Heritage Foundation for Medical Research Endowment Fund	$ 1,255,039	$ 1,364,081	$ 1,263,857	$ 1,343,638
Alberta Heritage Science and Engineering Research Endowment Fund	721,177	781,845	726,812	768,594
Alberta Heritage Scholarship Fund	715,482	769,576	720,740	755,030
	$ 2,691,698	$ 2,915,502	$ 2,711,409	$ 2,867,262

Note 3 Government Reorganization

(in thousands)

The method of funding the eligible initiatives from the lottery and gaming proceeds was changed during the year. Previously, they were funded directly from the Lottery Fund and were included in the Department's revenues (2011 - $105,000). However, such proceeds are now deposited into the General Revenue Fund to finance the eligible initiatives. Financial statements for prior years have been restated as if the current arrangement had always existed. Schedule 7 provides a comparison of estimates and actual expenses for Lottery Fund initiatives.

Likewise, the Department no longer receives the Canada Social Transfer, as it is now recorded by the Department of Finance. Prior year amounts have been restated to reflect both a reduction in revenue (2011 - $526,214) and in accounts receivable from the Government of Canada (2011 - $6,319).

Note 4 Accounts Receivable

(in thousands)

	2012	2011 (Restated)
Government of Canada	$ 104,877	$ 17,552
Accrued Interest Receivable on Loans	1,282	680
Other	2,432	2,082
	$ 108,591	$ 20,314

Accounts receivable are unsecured and non-interest bearing.

Note 5 Loans Receivable

(in thousands)

	2012	2011
Loans Receivable	$ 761,940	$ 617,991
Less:		
Allowance for Loan Relief Completion Payments	(75,968)	(112,564)
Allowance for Impaired Loans	(58,117)	(42,525)
Allowance for Loan Subsidy	(32,161)	(24,604)
Allowance for Repayment Assistance	(1,562)	—
	$ 594,132	$ 438,298

Under the Alberta Student Loan Program, loans are provided by the Department to qualifying students on terms prescribed by the Minister of Advanced Education and Technology.

Loans become payable and interest is earned when students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits. The Minister announced on February 2012 that completion and retention grants will replace the previous remission program effective August 1, 2012. As a result, the Allowance for Loan Relief Completion Payments has been reduced to $76 million, reflecting an estimate of the final payments to be issued in 2012-13.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for loan relief completion payments is a provision that estimates the amount of loans receivable that will be forgiven through loan relief completion payments.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Department does not receive interest payments over the term of the loans to fully cover the Department's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Department through the repayment assistance program.

Note 6 Tangible Capital Assets

(in thousands)

	2012			2011
	Equipment [a]	Information Technology and Other Assets	Total	Total
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost [b]				
Beginning of year	$ 173	$ 44,113	$ 44,286	$ 40,555
Additions	20	4,806	4,826	4,960
Disposals and Transfers [c]	—	—	—	(1,229)
	193	48,919	49,112	44,286
Accumulated Amortization				
Beginning of year	128	20,061	20,189	15,659
Amortization expense	18	4,236	4,254	4,529
	146	24,297	24,443	20,188
Net Book Value at March 31, 2012	$ 47	$ 24,622	$ 24,669	
Net Book Value at March 31, 2011	$ 45	$ 24,053		$ 24,098

(a) Equipment includes office equipment.

(b) Historical cost included work-in-progress at March 31, 2012 totaling $5,273 ($2011 - $9,577) comprised of computer software development projects.

(c) The Department transferred $0 ($2010 - $1,229) in bio-refining assets to Agriculture and Rural Development. There were no proceeds on the transfer.

Note 7 Accounts Payable and Accrued Liabilities

(in thousands)

	2012	2011
Accounts Payable	$ 4,929	$ 668
Accrued Liabilities		
Vacation	5,407	5,320
Other	4,981	11,691
Liabilities for Student Loans Issued [a]	—	1,526
Advances from Government of Canada	10,058	7,096
	$ 25,375	$ 26,301

(a) Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students. These student loans resulted in a liability to the government for loan relief completion payments, interest, guarantees and risk premium. Effective March 31, 2012 a liability for student loans issued will no longer be recorded due to low and decreasing materiality.

Note 8 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2012	2011
Service Contracts	$ 21,720	$ 32,383
Capital and Operating Grants	30,635	185,897
Uncashed Student Loans	7,361	7,526
Computer Systems Development	18,273	22,906
	$ 77,989	$ 248,712

Estimated payment requirements for each of the next five years are as follows:

	Service Contracts	Capital & Operating Grants	Uncashed Student Loans	Computer Systems Development	Total
2012-13	$ 12,077	$ 21,539	$ 7,361	$ 18,273	$ 59,250
2013-14	7,707	8,407	—	—	16,114
2014-15	1,595	689	—	—	2,284
2015-16	315	—	—	—	315
2016-17	26	—	—	—	26
	$ 21,720	$ 30,635	$ 7,361	$ 18,273	$ 77,989

Note 9 Contingent Liabilities

(in thousands)

At March 31, 2012, the Department is a defendant in no legal claims (2011 - two legal claims). These claims have specified amounts totaling $0 (2011 - $50,076).

Note 10 Payments Under Agreement

(in thousands)

The Department has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the Department under authority of section 25 of the *Financial Administration Act*. Accounts receivable includes $78,101 (2011 - $11,237) and accounts payable, and accrued liabilities includes $10,058 (2011 - $7,096) relating to payments under agreement.

Net amounts paid and (payable) under agreements on behalf of the Government of Canada:

	2012	2011
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (281)	$ (314)
Government of Canada		
Canada Study Grants	(333)	(236)
Canada Access Grants	(8)	(16)
Canada Student Grants	73,844	72,455
French Minority Language Education and French Second Language Instruction	4,226	7,178
	$ 77,448	$ 79,067

Note 11 Benefit Plans

(in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $6,466 for the year ended March 31, 2012 (2011 - $6,039). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2011, the Management Employees Pension Plan reported a deficiency of $517,726 (2010 - deficiency $397,087) and the Public Service Pension Plan reported a deficiency of $1,790,383 (2010 - deficiency $2,067,151). At December 31, 2011, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $53,489 (2010 - deficiency $39,559).

The Department also participates in two multi-employer Long-term Disability Income Continuance Plans. At March 31, 2012, the Bargaining Unit Plan reported an actuarial deficiency of $9,136 (2011 - deficiency $4,141) and the Management, Opted Out and Excluded Plan an actuarial surplus of $10,454 (2011 - surplus $7,020). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 Comparative Figures

Certain 2011 figures have been reclassified to conform to the 2012 presentation.

Note 13 Subsequent Event

On May 8, 2012, the government announced cabinet restructuring. As a result, the Department of Advanced Education and Technology was restructured. The Department will assume responsibility for Enterprise, Economic Development, Labour Force and Immigration programs. These programs were transferred from the Ministry of Treasury Board and Enterprise and the Ministry of Human Services. The Department is renamed as "Department of Enterprise and Advanced Education".

Note 14 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Financial Statements

for the year ended March 31, 2012

Schedule 1 Revenues

(in thousands)

	2012 Budget	2012 Actual	2011 Actual (Restated)
Internal Government Transfers			
Alberta Heritage Scholarship Fund	$ 36,193	$ 36,643	$ 36,721
Alberta Heritage Science and Engineering Research Endowment Fund	41,500	41,500	34,500
Alberta Heritage Foundation for Medical Research Endowment Fund	75,950	75,950	77,000
	153,643	154,093	148,221
Transfers from Government of Canada			
Knowledge Infrastructure Program	—	24,420	73,260
Other	2,900	3,171	3,771
	2,900	27,591	77,031
Investment Income			
Interest on Student Loans Issued	12,200	10,250	7,162
Other	2,300	—	274
	14,500	10,250	7,436
Premiums, Fees and Licences			
Apprenticeship Services	5,500	4,789	4,471
Licence Fees	2,460	2,231	2,588
Other	—	—	10
	7,960	7,020	7,069
Other Revenue			
Refund of Expenditure	2,500	2,522	1,871
Services Provided to Stakeholders	2,025	1,062	1,820
	4,525	3,584	3,691
	$ 183,528	$ 202,538	$ 243,448

Schedule 2 Credit or Recovery

(in thousands)

	2012 Authorized	2012 Actual	2012 (Shortfall) / Excess
Information and Technology Management Services (a)	$ 2,025	$ 932	$ (1,093)
Canada Student Loan Administration (b)	3,045	3,171	126
Apprenticeship Services (c)	5,500	4,789	(711)
	$ 10,570	$ 8,892	$ (1,678)

The revenue of each credit or recovery is included in the Department's revenue.

(a) Revenue collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis. Element 1.4

(b) Revenue received from the Government of Canada for administering of Canada Student Loans and conducting a study and developing material as prescribed by the federal government on a cost-recovery basis. Element 2.1

(c) Fees collected for the provision of registration and assessment services to individuals seeking certification in designated trades and occupations. As well, consulting services are provided on a cost-recovery basis to other countries and jurisdictions. Apprenticeship technical training spaces in Alberta institutions are provided on a cost-recovery basis to Yukon Territory, Northwest Territories and Nunavut. Element 4.2

Schedule 3 Expenses – Directly Incurred Detailed by Object

(in thousands)

	2012 Budget	2012 Actual	2011 Actual (Restated)
Salaries, Wages and Employee Benefits	$ 63,590	$ 58,245	$ 56,635
Supplies and Services	53,454	49,432	44,084
Grants	2,884,885	2,845,977	3,141,349
Financial Transactions and Other	220	273	(66)
Amortization of Tangible Capital Assets	5,397	4,254	4,529
Total Expenses before Recoveries	3,007,546	2,958,181	3,246,531
Less:			
Recoveries from Support Service Arrangements (a)	—	—	(250)
	$ 3,007,546	$ 2,958,181	$ 3,246,281

(a) The Department provides information technology support services to the Department of Human Services at a cost of $0 (2011 - $250). Costs for these services are recovered from that Department.

Schedule 4 Budget

(in thousands)

	2012 Estimates	Adjustment (a)	Budget	Supplementary (b)	Authorized Budget
Revenues					
Internal Government Transfers	$ 153,643	$ —	$ 153,643	$ —	$ 153,643
Transfers from Government of Canada	2,900	145	3,045	—	3,045
Investment Income	14,500	—	14,500	—	14,500
Premiums, Fees and Licences	7,960	—	7,960	—	7,960
Other Revenue	4,525	—	4,525	—	4,525
	183,528	145	183,673	—	183,673
Expenses – Directly Incurred					
Programs					
Ministry Support Services	31,090	—	31,090	—	31,090
Support for Adult Learning	2,408,677	18,045	2,426,722	—	2,426,722
Post-Secondary Infrastructure	251,085	17,500	268,585	—	268,585
Apprenticeship Delivery	38,116	(400)	37,716	—	37,716
Research and Innovation Capacity	140,690	4,300	144,990	—	144,990
Technology Commercialization	118,888	—	118,888	—	118,888
Alberta Centennial Education Savings Plan	19,000	(2,500)	16,500	—	16,500
Credit or Recovery (Shortfall) (Schedule 2)	—	(1,678)	(1,678)	—	(1,678)
	3,007,546	35,267	3,042,813	—	3,042,813
Net Operating Results	$(2,824,018)	$ (35,122)	$(2,859,140)	$ —	$(2,859,140)
Capital Investment	$ 4,647	$ —	$ 4,647	$ —	$ 4,647
Non-Budgetary Disbursements	$ 267,200	$ —	$ 267,200	$ —	$ 267,200

(a) Budget adjustments were made as follows:

Revenues:

- $145 increase for conducting a study and developing material as prescribed by the federal government on a cost-recovery basis.

Expenses:

- $145 increase in voted expense offset by a corresponding increase in dedicated revenue pursuant to the *Financial Administration Act* section 24(2).
- $8,800 increase in operating expense via a Capital Projects Development planning funds transfer from the Department of Treasury Board and Enterprise as approved by Treasury Board Minutes 16, 17, 41 and 42/2011 and subsequently reclassified as capital grants as approved by Treasury Board Committee in Second Quarter Forecast.
- $13,000 increase in capital grants via a Provision for Capital Projects transfer from the Department of Treasury Board and Enterprise as approved by Treasury Board Committee at its August 23, 2011 meeting and subsequently reflected in Second Quarter Forecast.
- $30,000 increase in statutory expense partially offset by $15,000 in internal funding reallocations as approved by Treasury Board Committee in Third Quarter Forecast.

(b) Advanced Education and Technology did not require Supplementary Estimates in 2011-12.

Schedule 5

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending

(in thousands)

		2011-12 Estimate	Adjustments (a)	Authorized Supplementary (b)	Amounts not required to be voted (c)	2011-12 Authorized Spending	2011-12 Actual (d)	Unexpended (Over-expended)
Expense and Capital Investments								
1	**Ministry Support Services**							
1.1	Minister's Office	$ 563	$ —	$ —	$ —	$ 563	$ 493	$ 70
1.2	Deputy Minister's Office	660	—	—	—	660	627	33
1.3	Communications	944	—	—	—	944	746	198
1.4	Strategic Corporate Services							
	• Expense	27,323	—	—	(620)	26,703	26,814	(111)
	• Capital Investment	1,217	—	—	—	1,217	377	840
1.5	Corporate Costs	1,600	—	—	—	1,600	1,280	320
Sub-Total		32,307	—	—	(620)	31,687	30,337	1,350
2	**Support for Adult Learning**							
2.1	Program Delivery Support							
	• Expense	36,764	(455)	—	(1,805)	34,504	32,005	2,499
	• Capital Investment	3,000	—	—	—	3,000	1,986	1,014
2.2	Comprehensive Academic and Research Institutions	1,130,419	—	—	—	1,130,419	1,135,530	(5,111)
2.3	Baccalaureate and Applied Studies Institutions	187,965	—	—	—	187,965	188,165	(200)
2.4	Comprehensive Community Institutions	381,238	(2,000)	—	—	379,238	381,893	(2,655)
2.5	Polytechnical Institutions	316,331	—	—	—	316,331	314,056	2,275
2.6	Specialized Arts and Culture Institutions	28,036	—	—	—	28,036	28,036	—
2.7	Independent Academic Institutions	23,640	—	—	—	23,640	23,640	—
2.8	Academic Health Centres	21,000	—	—	—	21,000	21,000	—
2.9	Campus Alberta Innovations	30,622	(1,617)	—	—	29,005	25,605	3,400
2.10	Inter-Jurisdiction Programs	7,944	—	—	—	7,944	8,532	(588)
2.11	Community Education	26,253	—	—	—	26,253	18,014	8,239
2.12	Other Program Support							
	• Expense	38,372	(7,883)	—	—	30,489	28,231	2,258
	• Capital Investment	—	—	—	—	—	1,338	(1,338)
2.13	Achievement Scholarships	34,600	—	—	—	34,600	33,284	1,316
2.14	Bursaries and Grants	19,500	—	—	—	19,500	18,491	1,009
	Provision for the Future Cost of Student Loans Issued	89,800	30,000	—	(119,800)	—	—	—
	Alberta Heritage Scholarships	36,193	—	—	—	36,193	36,643	(450)
Sub-Total		2,411,677	18,045	—	(121,605)	2,308,117	2,296,449	11,668
3	**Post-Secondary Infrastructure**							
3.1	Capital Expansion and Upgrading	144,085	17,500	—	—	161,585	148,546	13,039
3.2	Capital Maintenance and Renewal	107,000	—	—	—	107,000	107,056	(56)
Sub-Total		251,085	17,500	—	—	268,585	255,602	12,983
4	**Apprenticeship Delivery**							
4.1	Apprenticeship Delivery Support							
	• Expense	32,616	(400)	—	(1,977)	30,239	27,473	2,766
	• Capital Investment	430	—	—	—	430	1,124	(694)
4.2	Apprenticeship Services	5,500	—	—	—	5,500	4,722	778
Sub-Total		38,546	(400)	—	(1,977)	36,169	33,319	2,850

Schedule 5

Comparison of Directly Incurred Expense, Capital Investment and Non-Budgetary Disbursements by Element to Authorized Spending (continued)

(in thousands)

	2011-12 Estimate	Adjustments (a)	Authorized Supplementary (b)	Amounts not required to be voted (c)	2011-12 Authorized Spending	2011-12 Actual (d)	Unexpended (Over-expended)
Expense and Capital Investments							
5 Research and Innovation Capacity							
5.1 Program Delivery Support	5,378	—	—	—	5,378	4,544	834
5.2 Research Capacity	27,295	4,300	—	—	31,595	34,483	(2,888)
5.3 Grant to Alberta Innovates - Bio Solutions	13,542	—	—	—	13,542	13,542	—
5.4 Grant to Alberta Innovates - Energy and Environment Solutions	18,525	—	—	—	18,525	19,725	(1,200)
5.5 Grant to Alberta Innovates - Health Solutions	75,950	—	—	—	75,950	75,950	—
Sub-Total	140,690	4,300	—	—	144,990	148,244	(3,254)
6 Technology Commercialization							
6.1 Program Delivery Support	4,925	—	—	—	4,925	5,707	(782)
6.2 Strategic Partnerships	8,725	—	—	—	8,725	12,930	(4,205)
6.3 Commercialization Capacity	9,500	—	—	—	9,500	5,000	4,500
6.4 Transfer to Alberta Enterprise Corporation	1,750	—	—	—	1,750	1,587	163
6.5 Grant to Alberta Innovates - Technology Futures	93,988	—	—	—	93,988	93,988	—
Sub-Total	118,888	—	—	—	118,888	119,212	(324)
7 Alberta Centennial Education Savings Plan	19,000	(2,500)	—	—	16,500	17,713	(1,213)
Credit or Recovery (Shortfall)	—	(1,678)	—	—	(1,678)	—	(1,678)
Expense	3,007,546	35,267	—	(124,202)	2,918,611	2,896,051	22,560
Capital Investment	4,647	—	—	—	4,647	4,825	(178)
	$ 3,012,193	$ 35,267	$ —	$ (124,202)	$ 2,923,258	$ 2,900,876	$ 22,382
Non-Budgetary Disbursements							
2 Support for Adult Learning							
2.16 Student Loan Servicing Cost	$ 300	$ —	$ —	$ —	$ 300	$ 239	$ 61
2.17 Student Loan Disbursements	266,900	—	—	—	266,900	268,412	(1,512)
Total Non-Budgetary Disbursements	$ 267,200	$ —	$ —	$ —	$ 267,200	$ 268,651	$ (1,451)

(a) Budget adjustments were made as follows:

- $145 increase in voted expense offset by a corresponding increase in dedicated revenue pursuant to the *Financial Administration Act* section 24(2).
- $8,800 increase in operating expense via a Capital Projects Development planning funds transfer from the Department of Treasury Board and Enterprise as approved by Treasury Board Minutes 16, 17, 41 and 42/2011 and subsequently reclassified as capital grants as approved by Treasury Board Committee in Second Quarter Forecast.
- $13,000 increase in capital grants via a Provision for Capital Projects transfer from the Department of Treasury Board and Enterprise as approved by Treasury Board Committee at its August 23, 2011 meeting and subsequently reflected in Second Quarter Forecast.
- $30,000 increase in statutory expense partially offset by $15,000 in internal funding reallocations as approved by Treasury Board Committee in Third Quarter Forecast.
- $(1,678) credit or recovery shortfall.

(b) Advanced Education and Technology did not require Supplementary Estimates in 2011-12.

(c) Adjustments to remove non-cash items including amortization expense, valuation adjustments and other provisions.

(d) Expenses incurred per Statement of Operations, excluding non-cash expenses.

Schedule 6 Funding Provided to Post-Secondary Institutions and Research Entities

(in thousands)

		Operating Grants (a)		Grants for Infrastructure	
		2012	2011	2012	2011
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	$ 39,704	$ 39,770	$ 5,020	$ 4,732
	University of Alberta	606,844	589,221	49,463	173,200
	University of Calgary	456,055	428,914	63,384	112,331
	University of Lethbridge	101,578	98,128	11,547	3,772
Baccalaureate and Applied Studies Institutions	Grant MacEwan University	104,835	99,232	3,503	8,294
	Mount Royal University	85,578	86,558	3,316	12,557
Polytechnical Institutions	Northern Alberta Institute of Technology	168,516	164,370	8,831	10,581
	Southern Alberta Institute of Technology	150,737	146,449	56,488	169,319
Comprehensive Community Institutions	Bow Valley College	36,493	31,829	20,873	68,670
	Grande Prairie Regional College	43,853	40,319	4,585	4,925
	Keyano College	39,410	38,585	5,057	4,138
	Lakeland College	38,244	33,832	1,999	6,575
	Lethbridge College	43,994	41,458	5,107	5,817
	Medicine Hat College	31,242	29,625	2,459	2,759
	NorQuest College	40,997	36,507	1,774	1,463
	Northern Lakes College	29,484	29,674	867	2,676
	Olds College	28,276	24,605	2,473	3,265
	Portage College	22,743	20,731	1,174	1,430
	Red Deer College	50,651	48,675	4,641	3,774
Specialized Arts and Culture Institutions	Alberta College of Art + Design	12,314	11,932	798	973
	The Banff Centre	16,111	15,961	1,516	1,414
Total Public Post-Secondary Institutions		2,147,659	2,056,375	254,874	602,665
Independent Academic Institutions	Ambrose University College	2,521	2,456	—	—
	Canadian University College	2,898	2,774	—	—
	Concordia University College of Alberta	11,548	11,024	—	—
	St. Mary's University College	2,869	2,769	—	—
	The King's University College	4,259	4,163	—	—
Private Vocational Schools	Columbia College	217	146	—	—
Other Colleges	Yellowhead Tribal College	136	263	—	—
	Blue Quills First Nations College	393	—	—	—
	Maskwachees Cultural College	93	228	—	—
	Nechi Training, Research and Health Promotions Institute	—	—	—	—
	Red Crow Community College	200	89	—	—
	Old Sun Community College	676	—	—	—
Total Funding Provided to Institutions		2,173,467	2,080,287	254,874	602,665
Research Entities	Alberta Innovates – Energy and Environment Solutions	19,725	19,325	—	—
	Alberta Innovates – Bio Solutions	15,567	18,792	—	—
	Alberta Innovates – Health Solutions	76,450	75,050	—	—
	Alberta Innovates – Technology Futures	101,083	90,239	—	—
Total Funding Provided to Research Entities		212,825	203,406	—	—
Total Funding Provided to Post-Secondary Institutions and Research Entities		$ 2,386,292	$ 2,283,693	$ 254,874	$ 602,665

(a) Includes funding to these entities from all department programs.

Schedule 7 Lottery Fund Estimates

(in thousands)

		2012 Lottery Fund Estimate	2012 Actual Expenses Paid from Lottery Fund	Unexpended (Over-expended)
		[a]	[b]	
3	**Post-Secondary Infrastructure**			
3.1	Capital Expansion and Upgrading	$ 40,000	$ 40,000	$ —
3.2	Capital Maintenance and Renewal	65,000	65,000	—
		$ 105,000	$ 105,000	$ —

(a) The revenue of the Lottery Fund is transferred to the Department of Finance on behalf of the General Revenue Fund. Having been transferred to the General Revenue Fund, these monies then become part of the Department's supply vote. This table shows details of the initiatives within the Department that are funded by the Lottery Fund and compares it to the actual results.

(b) Post-Secondary Infrastructure is only partially funded through the Lottery Funds allocated to the Department. Total spending on Post-Secondary Infrastructure for 2012 was $255,602.

Schedule 8 Salary and Benefits Disclosure

	2012				2011
	Base Salary	Other Cash Benefits	Other Non-Cash Benefits	Total	Total
	[1]	[2]	[3]		
Deputy Minister [4] [5]	$ 264,576	$ 1,250	$ 78,096	$ 343,922	$ 330,884
Executives:					
Post-Secondary and Community Education	185,472	1,250	52,120	238,842	230,983
Community, Learner and Industry Connections [5] [6]	194,575	27,442	44,388	266,405	233,129
Research and Innovation	185,472	1,250	51,995	238,717	233,190
Advanced Technology Industries [7]	185,472	1,250	51,820	238,542	241,655
Senior Financial Officer [5]	138,080	2,500	58,773	199,353	191,711
Human Resources Director	141,484	1,250	37,502	180,236	168,774

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2012.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums (estimated), professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other-cash benefits.

(5) The position was occupied by two individuals at different times during the year.

(6) Other cash benefits include a vacation payout of 26,192 (2011 - nil).

(7) Other cash benefits include a vacation payout of nil (2011 - $8,527).

Schedule 9 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside the Ministry	
	2012	2011	2012	2011 (Restated)
Revenues				
Grants	$ —	$ —	$ 154,093	$ 148,221
Other	2,281	3,108	—	—
	$ 2,281	$ 3,108	$ 154,093	$ 148,221
Expenses – Directly Incurred				
Grants	$ 2,616,945	$ 2,863,874	$ 850	$ 805
Other Services	2,764	2,529	4,988	4,524
	$ 2,619,709	$ 2,866,403	$ 5,838	$ 5,329
Tangible Capital Assets Transferred Out	$ —	$ —	$ —	$ 1,229
Receivables from	$ 1,220	$ 682	$ —	$ —
Payables to	$ 260	$ 3,103	$ 138	$ 190
Contractual Obligations	$ 31,684	$ 187,318	$ 25	$ 38

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation and Legal expenses incurred by others are disclosed in Schedule 10.

	Other Entities Outside the Ministry	
	2012	2011
Expenses – Incurred by Others		
Accommodation	$ 6,171	$ 7,547
Shared Services	3,331	4,004
Legal	752	649
Air Transportation Services	110	96
Internal Audit	149	67
GOA Learning Centre	34	35
	$ 10,547	$ 12,398

Schedule 10 Allocated Costs

(in thousands)

	2012					2011
		Expenses – Incurred by Others				
Program	Expenses (1)	Accommodation Costs (2)	Shared Services	Legal Services (3)	Total Expenses	Total Expenses (Restated)
Ministry Support Services	$ 30,693	$ 705	$ 3,331	$ 359	$ 35,088	$ 34,585
Support for Adult Learning	2,352,661	2,147	—	103	2,354,911	2,313,937
Post-Secondary Infrastructure	255,602	—	—	—	255,602	603,251
Apprenticeship Delivery	34,056	2,261	—	117	36,434	35,317
Research and Innovation Capacity	148,244	332	—	122	148,698	147,783
Technology Commercialization	119,212	726	—	51	119,989	108,249
Alberta Centennial Education Savings Plan	17,713	—	—	—	17,713	15,359
	$ 2,958,181	$ 6,171	$ 3,331	$ 752	$ 2,968,435	$ 3,258,481

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodations are allocated based on proportion of full-time-equivalent staff.

(3) Costs shown for Legal Services are allocated by estimated costs incurred by each program.

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Access to the Future Fund

Financial Statements

March 31, 2012 *Audited Information*

Independent Auditor's Report

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1 Funding Provided to Eligible Recipients

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Enterprise and Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Access to the Future Fund, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Access to the Future Fund as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 11, 2012
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2012 *(in thousands)*

	2012 Budget	2012 Actuals	2011 Actuals
Revenues			
Internal Government Transfers			
Transfer from Department of Finance	$ 49,463	$ 49,656	$ 48,398
Investment Income			
Interest	205	204	137
	49,668	49,860	48,535
Expenses - Directly Incurred			
Access to the Future Fund (Schedule 1)	—	—	43,332
Program Delivery Support	—	—	174
	—	—	43,506
Net Operating Results	$ 49,668	$ 49,860	$ 5,029

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

as at March 31, 2012 *(in thousands)*

	2012	2011
Assets		
Cash and Cash Equivalents (Note 4)	$ 65,608	$ 17,307
	$ 65,608	$ 17,307
Liabilities		
Accounts Payable and Accrued Liabilities	$ —	$ 1,558
	—	1,558
Net Assets		
Net Assets at Beginning of Year	15,749	10,720
Net Operating Results	49,860	5,029
Net Assets at End of Year	65,608	15,749
	$ 65,608	$ 17,307

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2012 *(in thousands)*

	2012	2011
Operating Transactions		
Net Operating Results	$ 49,860	$ 5,029
Decrease in Accounts Payable and Accrued Liabilities	(1,558)	(16,280)
Cash Generated from (Applied to) Operating Transactions	48,301	(11,251)
Increase (Decrease) in Cash and Cash Equivalents	48,301	(11,251)
Cash and Cash Equivalents, Beginning of Year	17,307	28,558
Cash and Cash Equivalents, End of Year	$ 65,608	$ 17,307

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2012

Note 1 Authority and Purpose

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

Generally, the purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities. The Fund provides matching payments to stimulate donations for post-secondary institutions and apprenticeship scholarships. However, the Fund has been suspended and no grants were provided in 2012. The Fund is expected to resume in 2013-14.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Access to the Future Fund, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. Other entities accountable to the Minister are the Department of Advanced Education and Technology, Alberta Enterprise Corporation, Alberta Innovates corporations, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Expenses

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Fund are limited to cash transferred or interest receivable from the General Revenue Fund of the Province of Alberta (General Revenue Fund).

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets / Net Liabilities

Net assets/net liabilities represent the difference between the carrying value of assets held by the Fund and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Note 3 Advanced Education Endowment

(in thousands)

The Advanced Education Endowment (the Endowment) is an account within the Alberta Heritage Savings Trust Fund that was established by the *Access to the Future Act*. As per section 4(7) of the *Access to the Future Act*, an amount equal to 4.5% of the total amount allocated to the Endowment shall be paid annually from the General Revenue Fund to the Fund.

The Endowment is inflation-proofed in accordance with section 4(6) of the *Access to the Future Act* and section 11 of the *Alberta Heritage Savings Trust Fund Act*. The amount of funding allocated to the Endowment for inflation proofing is an estimate and the actual amount may not be known until after the finalization of the Alberta Heritage Savings Trust Fund financial statements. There was no change to the 2011 estimate.

	2012	2011
Opening balance	$ 1,103,477	$ 1,075,514
Inflation proofing	35,311	27,963
Closing balance	$ 1,138,788	$ 1,103,477

Note 4 Cash and Cash Equivalent

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2012, securities held by the Fund have a time-weighted rate of return of 1.25% per annum (2011: 1.1% per annum).

Note 5 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include the Department.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities	
	2012	2011	2012	2011
Revenue				
Transfer from Department of Finance	$ —	$ —	$ 49,656	$ 48,398
Expenses - Directly Incurred				
Grants	$ —	$ 40,165	$ —	$ 707
Program Delivery Support	—	174	—	—
	$ —	$ 40,339	$ —	$ 707
Payable to	$ —	$ 74	$ —	$ —

Note 6 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Consolidated Financial Statements

for the year ended March 31, 2012

Schedule 1 *Funding Provided to Eligible Recipients*

(in thousands)

	2012	2011
Public Post-Secondary Institutions		
Alberta College of Art + Design	$ —	$ 425
Athabasca University	—	1,200
Bow Valley College	—	1,200
Grande Prairie Regional College	—	1,227
Grant MacEwan University	—	3,000
Keyano College	—	1,200
Lakeland College	—	813
Lethbridge College	—	1,200
Medicine Hat College	—	1,200
Mount Royal University	—	3,000
NorQuest College	—	1,200
Northern Alberta Institute of Technology	—	3,000
Northern Lakes College	—	909
Olds College	—	1,200
Portage College	—	785
Red Deer College	—	1,200
Southern Alberta Institute of Technology	—	3,000
The Banff Centre	—	1,200
The University of Alberta	—	5,000
The University of Calgary	—	5,000
The University of Lethbridge	—	3,000
	—	39,959
Accredited Private Not-for-Profit Post-Secondary Institutions		
Ambrose University College	—	240
Canadian University College	—	240
Concordia University College of Alberta	—	240
St. Mary's University College	—	240
The King's University College	—	240
	—	1,200
First Nations, Métis and Inuit Colleges		
Blue Quills First Nations College	—	210
Maskwachees Cultural College	—	210
Nechi Training, Research and Health Promotions Institute	—	210
Old Sun Community College	—	210
Red Crow Community College	—	210
Yellowhead Tribal College	—	210
	—	1,260
AIT Scholarships		
Alberta Heritage Scholarship Fund	—	707
	—	707
Renaissance Fund	$ —	$ 43,126
Innovation Fund	—	206
Total	$ —	$ 43,332

Alberta Enterprise Corporation

Financial Statements

March 31, 2012 *Audited Information*

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1 Expenses Directly Incurred Detailed by Object

2 Executive Compensation

3 Related Party Transactions

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Board of Directors of Alberta Enterprise Corporation

Report on the Financial Statements

I have audited the accompanying financial statements of Alberta Enterprise Corporation, which comprise the statement of financial position as at March 31, 2012, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Enterprise Corporation as at March 31, 2012, and the results of its operations, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

May 29, 2012
Edmonton, Alberta

Statement of Financial Position

as at March 31, 2012 *(in thousands)*

	2012	2011
Assets		
Cash and Cash Equivalents (Note 3)	$ 90,333	$ 93,649
Accounts Receivable and Prepaid Expenses	34	21
Investments (Note 4)	9,880	5,579
	$ 100,247	$ 99,249
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	$ 364	$ 28
	364	28
Net Assets		
Net Assets at Beginning of Year	99,221	98,807
Net Loss	(1,234)	(471)
Net Remeasurement Gains for the Year (Note 5)	1,896	885
Net Assets at End of Year	99,883	99,221
	$ 100,247	$ 99,249

The accompanying notes and schedules are part of these financial statements.

Approved by the Board of Directors

original signed by
Paul Haggis
Chair of the Board

original signed by
Barry Heck
Chair of the Audit Committee

Statement of Operations

for the year ended March 31, 2012 *(in thousands)*

	2012		2011
	Budget	Actuals	Actuals
Revenues			
Grant from Government of Alberta	$ 1,750	$ 1,587	$ 1,425
Other Revenue	—	—	6
	1,750	1,587	1,431
Expenses - Directly Incurred (Note 2b, Schedule 1)			
Operating Costs	1,750	1,778	1,245
Investment Expenses	1,500	—	—
	3,250	1,778	1,245
Net Operating Results	(1,500)	(191)	186
Loss on Investments (Note 4)	—	(1,043)	(657)
Net Loss	$ (1,500)	$ (1,234)	$ (471)

The accompanying notes and schedules are part of these financial statements.

Statement of Remeasurement Gains and Losses

as at March 31, 2012 *(in thousands)*

	2012	2011
Accumulated Remeasurement Gains (Losses) at Beginning of Year	$ 770	$ (115)
Unrealized Gain (Loss) Attributed to:		
Investments	1,794	1,114
Foreign Exchange	102	(229)
Net Remeasurement Gains for the Year	1,896	885
Accumulated Remeasurement Gains at End of Year	$ 2,666	$ 770

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2012 *(in thousands)*

	2012	2011
Operating Transactions		
Net Operating Results	$ (191)	$ 186
Increase in Accounts Receivable	(13)	(14)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	336	(4,941)
Cash Generated from (Applied to) Operating Transactions	132	(4,769)
Investing Transactions		
Purchase of Investments	(3,448)	(2,619)
Cash Applied to Investing Transactions	(3,448)	(2,619)
Decrease in Cash and Cash Equivalents	(3,316)	(7,388)
Cash and Cash Equivalents, Beginning of Year	93,649	101,037
Cash and Cash Equivalents, End of Year	$ 90,333	$ 93,649

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2012

Note 1 Authority and Purpose

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Alberta Enterprise Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

The Corporation is exempt from Canadian federal and Alberta provincial income taxes.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Advanced Education and Technology (subsequent to year end, on May 8, 2012, the Ministry of Advanced Education and Technology was merged with Enterprise and Immigration and renamed the Ministry of Enterprise and Advanced Education) and for which the Minister of Advanced Education and Technology is accountable. Other entities accountable to the Minister are the Department of Advanced Education and Technology, Access to the Future Fund, Alberta Innovates Corporations, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue. Grants from the Government of Alberta are recognized as revenue in the year the transfers are authorized.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Expenses

Directly incurred expenses are recognized when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Corporation mainly include cash, cash equivalents and accounts receivable. The Corporation does not take out loans or issue equity.

(c) Financial Instruments

Accounting Standard for Investments

The Corporation has early adopted Public Sector Accounting Board (PSAB) Standard PS 3450 – Financial Instruments and PS 2601 Foreign Currency Translation, recently approved Standards, as the basis for accounting for the Corporation's investments. The Standards apply for fiscal years on or after April 1, 2012; however, early adoption is permitted.

Fair Value Measurement

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The Corporation records investments in limited partnerships on a fair value basis. Fair value is determined by the Limited Partnerships based upon valuation techniques considered appropriate by the Corporation and may include techniques such as discounted cash flows, prevailing market values for instruments with similar characteristics and other pricing models as appropriate. The Corporation relies upon the audited financial statements of the limited partnerships when valuing the Corporation's investments.

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Corporation. The Corporation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Corporations perceived risk of that investment.

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

The Corporation's investments have all been classified within level 3 as they have unobservable inputs and they trade infrequently or not at all. When observable prices are not available for these securities the Limited Partnerships use one or more valuation techniques (e.g. the market approach, the income approach) for which sufficient and reliable data is available. Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

As quoted market prices are not readily available for private investments, estimated fair values may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The fair values of investments and any other assets and liabilities denominated in foreign currency are translated at the year end exchange rate.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance any of its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Risks

The Corporation is subject to market risk and foreign currency risk with respect to its investment portfolio. Market risk encompasses the potential for both losses and gains, and includes price risk and currency risk. To manage these risks, the Corporation has established policies around the type of limited partnerships that it invests in. In addition, each limited partnership has established a target mix of investment types designed to achieve the optimal returns within reasonable risk tolerance and in accordance with the Limited Partnership's investment mandate. The Corporation does not participate in any foreign currency hedging activities. The Corporation is not exposed to

significant credit, interest, liquidity or price risk. The Corporation financial assets and liabilities are generally classified and measured as follows:

Financial Statement Component	Measurement
Cash and Cash Equivalents	Fair Value
Investments	Fair Value
Accounts Receivable	Cost or Amortized Cost
Accounts Payable and Accrued Liabilities	Cost or Amortized Cost

Note 3 Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents in the amount of $ 90,333 (2011 - $93,649) includes deposits in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2012, securities held by the Corporation had a time weighted return of 1.3% per annum (2011: 1.1% per annum). Due to the short term nature of the CCITF investments, the carrying value approximates fair value. Interest earned is returned directly to the General Revenue Fund of the Government of Alberta.

As at March 31, 2012, the Corporation has $90,333 (2011 - $93,649) in cash and cash equivalents as follows:

	2012	2011
Cash for Approved Investments (restricted)	$ 44,091	$ 22,143
Cash for Future Investments (restricted)	46,027	71,318
Cash for Operating Activities (unrestricted)	214	188
Total	$ 90,333	$ 93,649

Note 4 Investments

(in thousands)

The Government of Alberta has allocated $100,000 to the Corporation for investments in limited partnerships that provide venture capital in knowledge-based industries.

The Corporation is a limited partner in four (2011 - two) limited partnerships and $ 53,973 (2011 - $28,577) has been committed to these limited partnerships. Committed funds are paid into the limited partnership in amounts and at times determined by the general partner in order to meet the limited partnership's funding requirements. The Corporation's disbursements to date and commitments are as follows:

	Chrysalix Energy III Fund [a]	Yaletown Ventures II	iNovia Fund III	Enertech [a] [b]	2012 Total	2011 Total
Funds disbursed to limited partnership for Investments						
Investments [c]	$ 5,732	$ 3,500	$ 650	$ —	$ 9,882	$ 6,434
Remaining Commitment	9,255	10,500	9,350	14,987	44,091	22,143
Total Funding Committed	$ 14,987	$ 14,000	$ 10,000	$ 14,987	$ 53,973	$ 28,577

(a) Commitments are payable in US dollars. Amounts above are based upon exchange rate on March 31, 2012.

(b) Subsequent to December 31, 2011. The Corporation committed $15 million US to the Enertech fund. There were no cash calls as of March 31, 2012.

(c) Investments include management fees which are drawn down from the committed capital. These fees are part of the Corporation's capital investment in the Limited Partnerships.

The Corporation's investments in limited partnerships are recorded on a fair value basis and include unrealized gains or losses, which are reflected in the Statement of Remeasurement Gains and Losses. Equity in each limited partnership includes contributions to the limited partnerships for investments. It also includes a share of the losses of the limited partnership based on the Corporation's funding commitment as set out in the individual limited partnership agreements.

The Corporation's equity in partnerships is as follows:

	Chrysalix Energy III Fund	Yaletown Ventures II	iNovia Fund III	2012 Total	2011 Total
Limited Partners' Capital:					
Contributed capital	$ 47,825	$ 22,364	$ 7,080	$ 77,362	$ 47,970
Limited Partners' credit	6,016	—	—	6,016	—
Accumulated unrealized gain on investments	—	921	—	921	8,907
Accumulated realized loss on investments	—	(540)	—	(540)	—
Accumulated net gain (loss) from operations	12,449	(7,277)	(203)	4,967	(12,902)
Accumulated unrealized foreign exchange loss on investments	—	(216)	—	(216)	(278)
Accumulated non-cash interest on investments	—	28	—	28	28
	$ 66,290	$ 15,280	$ 6,877	$ 88,538	$ 43,725
Equity in US Dollars	66,290				
Exchange Rate	0.9991				
Equity in Canadian Dollars	66,230	15,280	6,877		
Alberta Enterprise Corporation's Percentage Partnership	10.32%	15.65%	9.17%		
Alberta Enterprise Corporation's Share of Equity (a)	$ 6,858	$ 2,391	$ 631	$ 9,880	$ 5,579

(a) Chrysalix calculation increased by $23 to reflect changes in the Corporation's equity in the Limited Partnership arising from recent dilution within the Limited Partnership due to the addition of new Limited Partners.

The change in equity in limited partnerships since April 1, 2011 is as follows:

	Chrysalix Energy III Alta Fund	Yaletown Ventures II	iNovia Fund III	2012 Total	2011 Total
Equity in Limited Partnership, April 1, 2011	$ 3,964	$ 1,615	$ —	$ 5,579	$ 2,732
Funds disbursed to Limited Partnership for investments	1,398	1,400	650	3,448	2,619
Remeasurement Gains (Losses)	1,966	(70)	—	1,896	885
Realized Losses within Limited Partnerships (a)	(470)	(554)	(19)	(1,043)	(657)
Equity in Limited Partnership, March 31, 2012	6,858	2,391	631	9,880	5,579
Cost of Limited Partnership Investment	$ 5,732	$ 3,500	$ 650	$ 9,882	$ 6,434

(a) Amounts include management fees paid by Limited Partnerships to General Partners.

Note 5 Accounts Payable and Accrued Liabilities

(in thousands)

	2012	2011
Accounts Payable	$ 237	$ 2
Accrued Liabilities	127	26
	$ 364	$ 28

Note 6 Budget

Investment expenses are part of the Corporation's investment in accordance with the limited partnership agreements. As a result there are no actual investment expenses reflected in the Statement of Operations.

Note 7 Comparative Figures

Certain 2011 figures have been reclassified to conform to 2012 presentation.

Note 8 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

Schedules to the Financial Statements

for the year ended March 31, 2012

Schedule 1 Expenses Directly Incurred Detailed by Object

(in thousands)

	Budget	2012	2011 (Restated)
Grants	$ 150	$ 93	$ 67
Salaries, Wages, Benefits and Payments to Consultants	944	929	654
Supplies and Services	2,156	756	524
	$ 3,250	$ 1,778	$ 1,245

Schedule 2 Executive Compensation

	2012				2011
	Compensation (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total (Restated)
Chair of the Board	$	$ 46,600	$ 2,235	$ 48,835	$ 47,039
Board Members (four)		83,600	3,936	87,536	84,200
Executives:					
Chief Executive Officer (4)	220,000	140,000	—	360,000	280,000
Director, Investments (5)	131,875	5,275	—	137,150	61,700
Director, Investments (6)	108,333	5,000	—	113,333	87,267
Director, Industry Development (7)	136,875	5,500	—	142,375	100,750

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base compensation is established through contractual agreements.

(2) Other Cash Benefits for Board members include honoraria payments and per diem allowances. Other cash benefits for Executives include bonuses and incidental expense allowances.

(3) Other Non-cash Benefits for Board members includes Canada Pension Plan payments. No non-cash benefits are provided to Executives.

(4) Other Cash Benefits for the CEO includes an accrued bonus in the amount of $80,000 (2011 - nil) that has been recognized as an expense of the Corporation in the 2012 fiscal year. Half of this amount ($40,000) was paid out in April 2012, the remaining balance is a reasonable approximation of the amount yet to be paid in 2012.

(5) The Director of Investments position was filled on a part-time basis until September 8, 2011 and then full-time to March 31, 2012.

(6) The Director of Investments position was filled on a part-time basis until November 21, 2011 and then full-time to March 31, 2012.

(7) The Director of Industry Development position was filled on a part-time basis until November 8, 2011 and then full-time to March 31, 2012.

Schedule 3

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management of the Corporation.

Entities in the Ministry refers to entities consolidated in the Ministry of Advanced Education and Technology. Other entities outside of the Ministry relates to the remaining entities consolidated at the Provincial level.

The Corporation had the following transactions with related parties which are recorded in the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside of the Ministry	
	2012	2011	2012	2011
Revenues				
Grants	$ 1,587	$ 1,425	$ —	$ —
Expenses – Directly Incurred				
Other Services	$ 41	$ 103	$ 60	$ 66
Payables to	$ 160	$ 21	$ —	$ —

The Corporation receives financial services, such as financial reporting and transaction processing, from the Department of Advanced Education and Technology at no charge.

Summary Subsidiary Financial Statements

Unaudited Information

Alberta Innovates Corporations

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

Baccalaureate and Applied Studies Institutions

Polytechnical Institutions

Comprehensive Community Institutions

Specialized Arts and Culture Institutions

Alberta Innovates Corporations

Summary Financial Statements (1)

for March 31, 2012 *(in thousands)*

	Alberta Innovates – Bio Solutions	Alberta Innovates – Energy and Environment Solutions	Alberta Innovates – Health Solutions	Alberta Innovates – Technology Futures	2012 Totals	2011 Totals
Statement of Financial Position						
Current Assets	$ 14,663	$ 35,597	$ 36,216	$ 55,598	$ 142,074	$ 115,429
Long-Term Assets	—	57	628	26,091	26,776	24,988
	$ 14,663	$ 35,654	$ 36,844	$ 81,689	$ 168,850	$ 140,417
Current Liabilities	$ 1,467	$ 2,228	$ 8,602	$ 24,356	$ 36,653	$ 27,722
Long-Term Liabilities	4,212	12,150	3,869	14,074	34,305	42,353
	5,679	14,378	12,471	38,430	70,958	70,075
Net Assets	8,984	21,276	24,373	43,259	97,892	70,342
	$ 14,663	$ 35,654	$ 36,844	$ 81,689	$ 168,850	$ 140,417
Statement of Operations						
Revenue	$ 21,052	$ 24,548	$ 92,980	$ 165,542	$ 304,122	$ 302,333
Expenses	18,505	17,672	83,358	157,037	276,572	282,892
Net Income	$ 2,547	$ 6,876	$ 9,622	$ 8,505	$ 27,550	$ 19,441
Statement of Changes in Financial Position						
Cash and Cash Equivalents, Beginning of Year	$ 14,781	$ 28,083	$ 20,352	$ 29,530	$ 92,746	$ 84,606
Cash Provided from (Used in) Operating Activities	(1,519)	7,192	15,518	11,793	32,984	13,094
Cash Used by Organizational Activities	—	—	(389)	(6,234)	(6,623)	(4,954)
Cash and Cash Equivalents, End of Year	$ 13,262	$ 35,275	$ 35,481	$ 35,089	$ 119,107	$ 79,652
Salary and Benefits of CEO Positions						
Base Salary	$ 221	$ 231	$ 289	$ 336		
Other Cash Benefits (2)	7	7	—	25		
Non-Cash Benefits (3)	65	83	106	88		
	$ 293	$ 321	$ 395	$ 449		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for Public Sector Entities. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts, bonuses, lump sum payments and car allowances (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Academic and Research Institutions

Summary Financial Statements (1)

for March 31, 2012 *(in thousands)*

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2012 Totals	2011 Totals
Statement of Financial Position						
Current Assets	$ 839,858	$ 954,150	$ 58,130	$ 13,868	$ 1,866,006	$ 1,915,332
Long-Term Assets	3,805,702	2,109,589	460,767	92,258	6,468,316	6,190,057
	$ 4,645,560	$ 3,063,739	$ 518,897	$ 106,126	$ 8,334,322	$ 8,105,389
Current Liabilities	$ 625,091	$ 617,799	$ 43,215	$ 34,305	$ 1,320,410	$ 1,356,946
Long-Term Liabilities	2,698,765	1,491,414	255,890	60,144	4,506,213	4,398,450
	3,323,856	2,109,213	299,105	94,449	5,826,623	5,755,396
Net Assets	1,321,704	954,526	219,792	11,677	2,507,699	2,349,993
	$ 4,645,560	$ 3,063,739	$ 518,897	$ 106,126	$ 8,334,322	$ 8,105,389
Statement of Operations						
Revenue	$ 1,689,366	$ 1,129,622	$ 185,171	$ 125,141	$ 3,129,300	$ 3,026,525
Expenses	1,685,292	1,036,415	186,740	125,975	3,034,422	2,868,365
Net Income (Loss)	$ 4,074	$ 93,207	$ (1,569)	$ (834)	$ 94,878	$ 158,160
Statement of Changes in Financial Position						
Cash and Cash Equivalents, Beginning of Year	$ 122,800	$ 534,960	$ 35,043	$ 7,518	$ 700,321	$ 709,766
Cash Provided from (Used in) Operating Activities	168,711	(130,961)	5,568	7,252	50,570	354,121
Cash Used by Organizational Activities	(171,859)	(25,997)	(5,945)	(9,628)	(213,429)	(363,566)
Cash and Cash Equivalents, End of Year	$ 119,652	$ 378,002	$ 34,666	$ 5,142	$ 537,462	$ 700,321
Salary and Benefits of President Positions						
Base Salary	$ 512	$ 440	$ 344	$ 360	—	—
Other Cash Benefits (2)	—	105	55	44	—	—
Non-Cash Benefits (3)	564	211	79	136	—	—
	$ 1,076	$ 756	$ 478	$ 540	—	—

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Baccalaureate and Applied Studies Institutions

Summary Financial Statements (1)

for June 30, 2011 *(in thousands)*

	Grant MacEwan University	Mount Royal University	2011 Totals	2010 Totals
Statement of Financial Position				
Current Assets	$ 95,292	$ 54,584	$ 149,876	$ 174,803
Long-Term Assets	348,684	333,202	681,886	609,626
	$ 443,976	$ 387,786	$ 831,762	$ 784,429
Current Liabilities	$ 52,588	$ 49,225	$ 101,813	$ 93,855
Long-Term Liabilities	193,663	243,414	437,077	427,636
	246,251	292,639	538,890	521,491
Net Assets	197,725	95,147	292,872	262,938
	$ 443,976	$ 387,786	$ 831,762	$ 784,429
Statement of Operations				
Revenue	$ 222,611	$ 209,817	$ 432,428	$ 422,118
Expenses	207,962	209,724	417,686	403,399
Net Income	$ 14,649	$ 93	$ 14,742	$ 18,719
Statement of Changes in Financial Position				
Cash and Short-Term Investments, Beginning of Year	$ 78,006	$ 58,158	$ 136,164	$ 128,595
Cash Provided from Operating Activities	19,672	10,262	29,934	2,248
Cash Used by Organizational Activities	(38,555)	(23,358)	(61,913)	(24,633)
Cash and Short-Term Investments, End of Year	$ 59,123	$ 45,062	$ 104,185	$ 106,210
Salary and Benefits of President Positions				
Base Salary	$ 291	$ 269		
Other Cash Benefits (2)	1	89		
Non-Cash Benefits (3)	344	197		
	$ 636	$ 555		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Polytechnical Institutions

Summary Financial Statements (1)

for June 30, 2011 *(in thousands)*

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2011 Totals	2010 Totals
Statement of Financial Position				
Current Assets	$ 26,679	$ 293,540	$ 320,219	$ 251,982
Long-Term Assets	444,982	599,235	1,044,217	1,038,704
	$ 471,661	$ 892,775	$ 1,364,436	$ 1,290,686
Current Liabilities	$ 79,258	$ 102,017	$ 181,275	$ 148,785
Long-Term Liabilities	203,241	588,287	791,528	773,373
	282,499	690,304	972,803	922,158
Net Assets	189,162	202,471	391,633	368,528
	$ 471,661	$ 892,775	$ 1,364,436	$ 1,290,686
Statement of Operations				
Revenue	$ 308,541	$ 286,065	$ 594,606	$ 594,495
Expenses	292,668	272,219	564,887	560,397
Net Income	$ 15,873	$ 13,846	$ 29,719	$ 34,098
Statement of Changes in Financial Position				
Cash and Short-Term Investments, Beginning of Year	$ 4,882	$ 216,809	$ 221,691	$ 154,880
Cash Provided from Operating Activities	25,450	64,099	89,549	59,487
Cash Generated (Used) by Organizational Activities	(28,278)	3,177	(25,101)	7,234
Cash and Short-Term Investments, End of Year	$ 2,054	$ 284,085	$ 286,139	$ 221,601
Salary and Benefits of President Positions				
Base Salary	$ 288	$ 224		
Other Cash Benefits (2)	133	89		
Non-Cash Benefits (3)	829	242		
	$ 1,250	$ 555		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions

Summary Financial Statements (1)

for June 30, 2011 *(in thousands)*

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Current Assets	$ 39,839	$ 11,062	$ 21,956	$ 17,402	$ 13,724	$ 19,453	$ 32,887
Long-Term Assets	305,304	95,495	116,416	89,847	112,220	93,642	39,998
	$ 345,143	$ 106,557	$ 138,372	$ 107,249	$ 125,944	$ 113,095	$ 72,885
Current Liabilities	$ 26,217	$ 12,236	$ 18,279	$ 10,192	$ 14,126	$ 6,978	$ 14,379
Long-Term Liabilities	244,532	63,163	81,957	62,233	70,336	66,439	30,462
	270,749	75,399	100,236	72,425	84,462	73,417	44,841
Net Assets	74,394	31,158	38,136	34,824	41,482	39,678	28,044
	$ 345,143	$ 106,557	$ 138,372	$ 107,249	$ 125,944	$ 113,095	$ 72,885
Statement of Operations							
Revenue	$ 77,035	$ 69,655	$ 77,976	$ 73,639	$ 81,800	$ 51,948	$ 75,045
Expenses	68,603	68,613	77,507	70,836	79,599	50,617	73,994
Net Income	$ 8,432	$ 1,042	$ 469	$ 2,803	$ 2,201	$ 1,331	$ 1,051
Statement of Changes in Financial Position							
Cash and Short-Term Investments, Beginning of Year	$ 4,442	$ 10,078	$ 17,804	$ 17,988	$ 10,851	$ 20,992	$ 15,547
Cash Provided from Operating Activities	83,269	2,535	3,100	(4,751)	9,092	3,133	6,504
Cash Used by Organizational Activities	(86,661)	(4,895)	(5,915)	(4,993)	(10,368)	(6,308)	(309)
Cash and Short-Term Investments, End of Year	$ 1,050	$ 7,718	$ 14,989	$ 8,244	$ 9,575	$ 17,817	$ 21,742
Salary and Benefits of President Positions							
Base Salary	$ 210	$ 263	$ 206	$ 236	$ 247	$ 197	$ 246
Other Cash Benefits (2)	63	—	23	18	61	17	—
Non-Cash Benefits (3)	15	25	21	25	65	108	45
	$ 288	$ 288	$ 250	$ 279	$ 373	$ 322	$ 291

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) Northern Lakes College did not submit financial statements in time for publication.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2011 *(in thousands)*

	Northern Lakes College (4)	Olds College	Portage College	Red Deer College	2011 Totals	2010 Totals
Statement of Financial Position						
Current Assets	$ —	$ 10,277	$ 6,449	$ 15,038	$ 188,087	$ 284,138
Long-Term Assets	—	97,620	64,342	169,672	1,184,556	1,064,711
	$ —	$ 107,897	$ 70,791	$ 184,710	$ 1,372,643	$ 1,348,849
Current Liabilities	$ —	$ 16,461	$ 3,357	$ 34,070	$ 156,295	$ 163,485
Long-Term Liabilities	—	68,363	54,822	111,839	854,146	856,924
	—	84,824	58,179	145,909	1,010,441	1,020,409
Net Assets		23,073	12,612	38,801	362,202	328,440
	$ —	$ 107,897	$ 70,791	$ 184,710	$ 1,372,643	$ 1,348,849
Statement of Operations						
Revenue	$ —	$ 54,288	$ 33,667	$ 93,698	$ 688,751	$ 678,756
Expenses	—	50,628	32,796	92,524	665,717	652,793
Net Income	$ —	$ 3,660	$ 871	$ 1,174	$ 23,034	$ 25,963
Statement of Changes in Financial Position						
Cash and Short-Term Investments, Beginning of Year	$ —	$ 5,735	$ 2,069	$ 605	$ 106,111	$ 94,739
Cash Provided from Operating Activities	—	4,826	1,421	7,252	116,381	50,762
Cash Used by Organizational Activities	—	(5,001)	(483)	(4,791)	(129,724)	(45,809)
Cash and Short-Term Investments, End of Year	$ —	$ 5,560	$ 3,007	$ 3,066	$ 92,768	$ 99,692
Salary and Benefits of President Positions						
Base Salary	$ —	$ 199	$ 203	$ 200		
Other Cash Benefits (2)	—	63	20	17		
Non-Cash Benefits (3)	—	22	35	26		
	$ —	$ 284	$ 258	$ 243		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) Northern Lakes College did not submit financial statements in time for publication.

Specialized Arts and Culture Institutions

Summary Financial Statements

	for June 30, 2011 (1)		for March 31, 2012 (2)		*(in thousands)*
	Alberta College of Art + Design		The Banff Centre		
	2011	2010	2012	2011	
Statement of Financial Position					
Current Assets	$ 11,299	$ 11,246	$ 13,311	$ 13,147	
Long-Term Assets	10,267	9,570	174,675	174,013	
	$ 21,566	$ 20,816	$ 187,986	$ 187,160	
Current Liabilities	$ 6,191	$ 6,385	$ 10,903	$ 11,778	
Long-Term Liabilities	6,481	6,198	138,434	138,719	
	12,672	12,583	149,337	150,497	
Net Assets	8,894	8,233	38,649	36,663	
	$ 21,566	$ 20,816	$ 187,986	$ 187,160	
Statement of Operations					
Revenue	$ 21,507	$ 21,464	$ 57,687	$ 54,117	
Expenses	20,962	21,669	57,491	53,826	
Net Income	$ 545	$ (205)	$ 196	$ 291	
Statement of Changes in Financial Position					
Cash and Short-Term Investments, Beginning of Year	$ 9,418	$ 10,761	$ 319	$ 3,630	
Cash Provided from (Used in) Operating Activities	609	(211)	1,621	(4,150)	
Cash Generated (Used) by Organizational Activities	(746)	(1,132)	(1,346)	839	
Cash and Short-Term Investments, End of Year	$ 9,281	$ 9,418	$ 594	$ 319	
Salary and Benefits of President Positions					
Base Salary	$ 204	$ 230	$ 305	$ 303	
Other Cash Benefits (3)	—	115	—	—	
Non-Cash Benefits (4)	30	23	57	41	
	$ 234	$ 368	$ 362	$ 344	

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. To comply with Government of Alberta publishing deadlines, summary information for entities with a March 31 year end are from statements on which audit is not complete. Full audited financial statements for these entities are available on their websites.

(3) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(4) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Other Information

Unaudited Information

Endnotes

Statement of Remissions, Compromises and Write-offs

Statement of Guarantees and Indemnities

Contact Information

Endnotes

Endnote A

Post-Secondary Graduate Outcomes Survey

The Post-Secondary Graduate Outcomes Survey is conducted every other year. Graduates of publicly funded post-secondary institutions are surveyed two years after graduation. The most recent survey was conducted January to April 2010 by an independent third-party contractor.

Note: 2012 is the first year the survey was conducted with annual reports published in June; therefore, results were not ready for publication in this report.

The survey population was provided to the contractor from an internal source. Graduates were surveyed by telephone and Internet about their employment outcomes upon graduating, further studies undertaken and satisfaction with the overall quality of their educational experience. Interviews were conducted with 9,887 graduates from parchment programs at 26 Alberta publicly funded post-secondary institutions. Although this sample size is smaller than in previous years (a completion rate of 29%), the response rate was high (the percentage of those successfully contacted who were willing to participate was over 50%). Confidence levels and margins of error continue to be comparable with previous survey cycles: the number of responses achieved a 95% confidence level, with a 0.9% confidence interval (or "margin of error").

Satisfaction questions are based on a four-point scale. Satisfaction rates are the combined results of the responses "somewhat satisfied" and "very satisfied." The percentage result is calculated by dividing the total "somewhat satisfied" and "very satisfied" responses by the total number of survey respondents, including respondents who answered "don't know." Results presented are the combined percentages of respondents who were very satisfied/satisfied. No responses were excluded.

The set of questions used is included in the next update of the Key Performance Indicators Reporting System (KPIRS) manual (2010) for Alberta's post-secondary Institutions, available online at:
eae.alberta.ca/post-secondary/funding/supportsinstitutions/resources/data.aspx.

Endnote B

Use of Confidence Intervals for Interpreting Survey Results

When a result is obtained by surveying a random sample of the target population (e.g. the public, graduates), there is a confidence interval associated with the result, which is expressed as a percentage above and below the result (e.g. ±2.5%). A confidence interval indicates how much variation one might expect from the survey result as a consequence of sampling and diversity among respondents. This makes it possible to determine whether differences in survey results over time are likely the result of sampling variations (differences falling within the confidence interval or "margin of error"), or represent actual change.

When comparing results of survey questions over time or among respondent groups, if there is no overlap between the confidence intervals of the two observed values, then the difference between the two results is considered to be real 19 times out of 20. When the confidence intervals of the two observed values do overlap, the difference is attributable to sampling variation, and the difference cannot be considered real.

The following hypothetical examples illustrate:

a) *two survey results where the confidence intervals overlap: no real difference in results*

Where two survey results are 76% and 80%, both with a confidence interval of 2.5%, then the upper limit of the confidence interval for the 76% result is 78.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals overlap, it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.

b) *two survey results where the confidence intervals do not overlap: a real difference in results*

If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the 74% result is 76.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals do not overlap, it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference.

Endnote C

Survey of Apprenticeship Graduates

The Survey of Apprenticeship Graduates is conducted every other year. The field work period of the most recent survey was changed from previous years to accommodate the June publication of the 2010-11 Ministry annual report. Field work was conducted October – December 2010 instead of February – May. This means that graduates were contacted between 3 to 15 months after graduation rather than 8 to 21 months. However, this change is not significant enough to make results non-comparable to previous survey years for the on-the-job and technical training satisfaction questions. Graduates commented on the program they completed, typically a 4-year program.

While all respondents were contacted initially by phone, for the first time respondents were given the option to complete the survey online.

The survey population was provided to the contractor from the Apprenticeship Trade and Occupation Management System (ATOMS). Surveys of recent apprenticeship graduates are conducted every other year. The last survey was conducted in 2010, with 4,426 interviews of apprentices who had graduated between August 1, 2009 and July 31, 2010. Survey findings were provided to the Ministry in January 2011.

Satisfaction questions are based on a four-point scale. Satisfaction rates combine the "somewhat satisfied" and "very satisfied" results. The percentage result is calculated by dividing the total of "somewhat satisfied" and "very satisfied" responses by the total number of survey respondents, including respondents who answered "don't know."

Respondents who had not completed any technical training or who had completed their technical training prior to starting their apprenticeship were omitted from the portion of the analysis dealing with technical training. This represents about 11% of the apprentice graduate population.

In order to provide detailed analysis by trade group, training institute and region, the sampling frame included a census of the populations of both cohorts, with a minimum number of completed interviews attained for each cohort. The following table provides the sample size and confidence interval for each cohort.

Cohort	Expected Completed Interviews	Expected Confidence Interval
1. Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2009-10 school year	2,916	±1.1%
2. Graduates who completed their apprenticeship program in the 2009-10 school year, but did not attend technical training in that year	2,098	±1.6%
	5,014	±0.9%

Based on the sampling method identified above, a minimum of 5,014 completed interviews was to be conducted from the two cohorts. The population of 2009-10 graduates of apprenticeship training was split 54% to 46% between those who completed both their technical training and on-the-job training requirements in the 2009-10 school year and those who had completed their technical training prior to the 2009-10 school year (or were not required to take any technical training during their apprenticeship).

Cohort	Completed Interviews	Confidence Interval
1. Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2009-10 school year	2,484	±1.4%
2. Graduates who completed their apprenticeship program in the 2009-10 school year, but did not attend technical training in that year	1,942	±1.6%
	4,426	±1.1%

While there were fewer than expected survey completions, overall survey results provide a margin of error of no greater than +1.1% at the 95% confidence level (or 19 times out of 20), and does not impact the quality of the results reported. Based on the outcome of all call attempts, an overall response rate of 51% was achieved for Cohort 1 and 46% for Cohort 2, with an overall response rate of 49%.

Endnote D

International Visa Students Registered at Alberta Post-Secondary Institutions

The total number of international students has been defined as the total unduplicated headcount of students who require a visa to study in Canada and are physically attending a publicly funded post-secondary institution in Alberta at some point during the academic year. International students attending outside of Canada do not require visas, and are therefore not included in this measure. Additionally, Athabasca University is not a campus-based institution, and as such, Athabasca University enrolments have not been included since all students are taking online courses.

Data for this measure are provided by institutions and stored in the Learner Enrolment Reporting System (LERS). The Banff Centre is not included in this measure as their enrolments are not reported via LERS. See Endnote E for more information on LERS.

Endnote E

Learner Enrolment Reporting System

The Learner and Enrolment Reporting System (LERS) is a database used by the Ministry to track learner demographics and enrolments in the post-secondary learning system. Publicly funded post-secondary institutions submit their enrolment data to the Ministry. These data are subject to a host of accountability constraints and are signed off by institutional and Ministry officials once verified. Data for Alberta's publicly funded institutions are reported in LERS for the academic year (May to April for comprehensive academic and research institutions and independent academic institutions; July to June for the Alberta College of Art and Design, baccalaureate and applied studies institutions, polytechnical institutions, and comprehensive community institutions). Finalized data are available in the fall for the previous academic year. The Banff Centre does not report enrolments via LERS.

Endnote F

Total Sponsored Research Revenue Attracted by Alberta's Comprehensive Academic and Research Institutions

This measure provides an indicator of the value of sponsored research at these institutions. The main funding sources include the provincial and federal governments, industry and non-profit organizations. Sponsored research revenues are those received outside of university operating funding and include research grants, research contracts and capital investments. This performance measure reflects research capability in Alberta through the success of its major universities in attracting sponsored research funding from several sources.

Sponsored research revenue data are collected directly from the Comprehensive Academic and Research Institutions (CARIs). The CARIs submit the data using a template and guidelines which outline the information required and specific instructions regarding how the revenue should be reported. The guidelines provided to the CARIs by Advanced Education and Technology indicate that the data collection process must be consistent with the more detailed Canadian Association of University Business Officers (CAUBO) guidelines. CARIs are required to follow the CAUBO reporting guidelines for the appropriate year. The adherence to CAUBO guidelines improves the quality and comparability of the data across the CARIs. The CARIs derive the data from audited financial statements and supplementary schedules. The reported data is compiled and analyzed by Advanced Education and Technology in the Research Funding at Alberta's Comprehensive Academic and Research Institutions report.

Endnote G

Percentage of Graduate Students Studying in Priority Areas

The proportion of graduate students studying in priority areas of energy, life sciences, nanotechnology, and information and communications helps show if the Province has people with the right skills and knowledge to drive and diversify Alberta's economy.

Programs listed at the graduate level are reviewed as to whether a specialization falls within a given priority area using their 4-digit CIP (Classification of Instructional Programming) code as the primary indicator.

Data for this measure are provided by institutions and stored in the Learner Enrolment Reporting System (LERS). The Banff Centre is not included in this measure as their enrolments are not reported via LERS. See Endnote E for information on LERS.

Endnote H

Percentage of Canadian Venture Capital Invested in Alberta

Data on Canadian venture capital comes from the VCReporter™ system provided by Thomson Financial, available at www.canadavc.com. VCReporter™ is a dynamic database, allowing existing data to be continuously updated: data can be added at a later date, providing more accurate picture of a given period. Data for 2011 were retrieved from VCReporter™ on April 2, 2012 to calculate the percentage of Canadian venture capital funds invested in Alberta's knowledge-intensive industries.

The following parameters are used consistently each year so that results are comparable year to year:

- Data is collected for each quarter of the reporting year.
- Data is collected for both new fundings and follow-on fundings.
- Data is collected for the Life Sciences, Information and Communications Technology, and Other Technologies. (i.e. Energy and Environmental, Lighting & Electrical, Media & Entertainment, Other Technologies, and Specialty Chemicals and Advanced Materials)
- Data is not collected for Traditional Industries. (i.e. Consumer Products & Services, Finance, Manufacturing, Miscellaneous, and Retail)
- Data is collected for early stage deals. (i.e. Seed, Start-up, and Other)
- Data is collected for only one set of later stage deals. (i.e. Expansion)
- Data is not collected for all other later stage deals. (i.e. Acquisition/Buyout, Turnaround, and Other Stage)
- Data is collected for all size deals. (i.e. from less than $500,000 through over $5 million)
- Data is collected for all types of investors.

Note: "Canadian Venture Capital" in this measure includes foreign investments. It expresses venture capital investment in Alberta as percentage of all venture capital investment in Canada.

Endnote I

Proportion of Albertans Aged 18-34 Participating in Post-Secondary Education

This measure is produced as a special tabulation for Advanced Education and Technology by Statistics Canada based on data collected in the Labour Force Survey.

Statistics Canada's Labour Force Survey (LFS) is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey.

The Canadian sample size for the monthly Labour Force Survey was 55,864 households over the reporting period. Alberta's sample size corresponds to its share of the national population. An average of 5,499 Alberta households were surveyed each month.

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (Albertans 18-34 participating in post-secondary education: 170,600) is 2.5%.

Additional information on the Labour Force Survey methodology and interpreting Labour Force Survey coefficients of variation is available on pages 27-29 of the Guide to Labour Force Survey for 2011 (Catalogue no. 71-543-G) available online from Statistics Canada: www.statcan.gc.ca/pub/71-543-g/71-543-g2011001-eng.pdf.

Endnote J

Public Satisfaction Survey

Advanced Education and Technology collaborates with the Ministry of Education to commission an annual telephone survey of the Alberta public. The survey assesses public satisfaction with key areas of the education system. A professional survey research firm is contracted to conduct the survey, compile results and provide them to the Ministries. Results were provided in the Survey Summary Report, Public/Adult Learners/Adult Non-Learner Survey, April 2012.

The survey instrument uses a four-point response scale: "very satisfied" / "satisfied" / "dissatisfied" / "very dissatisfied." Results presented are the combined percentages of respondents who were very satisfied/satisfied.

The population for this survey was the Alberta public, and the survey sample was obtained using a random listed sample for Alberta by census subdivision. There were 800 public respondents for this survey, and results for this measure have a confidence interval of ±3.5% at a 95% confidence level. For more information on confidence intervals (or "margin of error"), see Endnote B.

Endnote K

Educational Attainment

Educational attainment is the percentage of the population aged 25-64 who have completed a post-secondary program. For the purposes of this indicator, post-secondary credentials include certificates and diplomas (university, vocational, trade, community college) and university degrees. The percentage is calculated by dividing the number of people in the age range with a post-secondary certificate or diploma or university degree by the total number of Albertans in the same age range.

Historical data are as follows:

	2007	2008	2009	2010	2011
Alberta	59%	60%	61%	62%	61%
Canada	60%	61%	61%	63%	63%

This measure is produced as a special tabulation for Advanced Education and Technology by Statistics Canada based on data collected in the Labour Force Survey. The Labour Force Survey is a monthly household survey of a sample of individuals who are representative of the civilian, non-institutionalized population 15 years of age or older. It is conducted nationwide, in both the provinces and the territories. Excluded from the survey's coverage are persons living on reserves and other Aboriginal settlements in the provinces, full-time members of the Canadian Forces and the institutionalized population. These groups together represent an exclusion of approximately 2% of the population aged 15 and over.

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (Albertans 25-64 having completed a post-secondary credential: 1,299,200) is 1.0%.

Additional information on the Labour Force Survey methodology is available in the 2011 Guide to Labour Force Survey (Catalogue no. 71-543-G) available online from Statistics Canada:
www.statcan.gc.ca/pub/71-543-g/71-543-g2011001-eng.pdf.

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2012 *(in thousands)*

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Remissions under Section 21 of the *Financial Administration Act*	$ 68,072
Compromises under Section 22 of the *Financial Administration Act*	31
Write-offs – Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the *Student Financial Assistance Act*	1,013
Total remissions, compromises and write-offs	$ 69,116

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

for the year ended March 31, 2012 *(in thousands)*

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Advanced Education and Technology under the *Student Loan Act* for the year ended March 31, 2012, the amounts paid as a result of the liability under guarantees, and the amounts recovered on debts owing as a result of payments under guarantees.

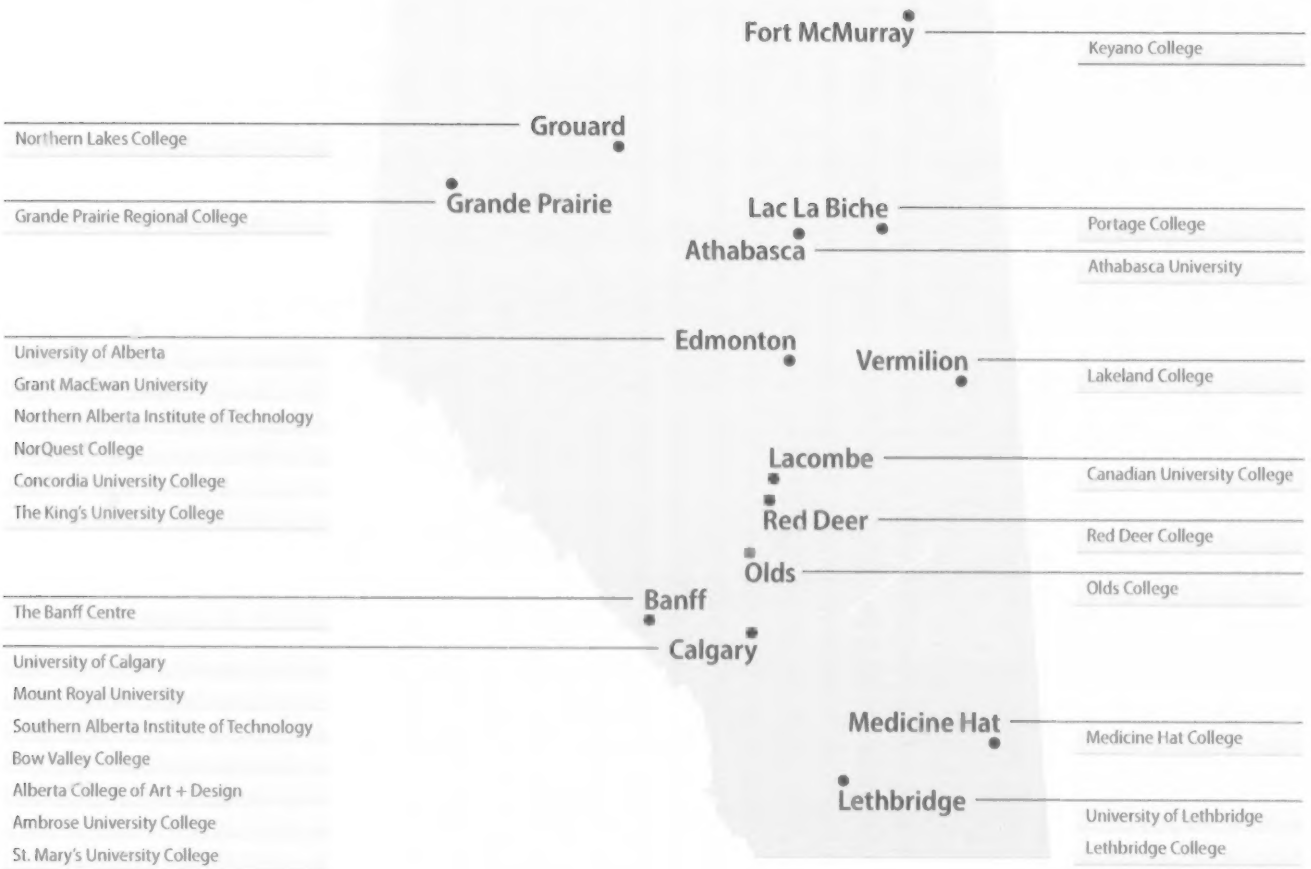
	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ —	239	657

Contact Information

Advanced Education and Technology	eae.alberta.ca
Entities	
Access to the Future Fund	eae.alberta.ca/post-secondary/funding/supportsinstitutions/aff.aspx
Alberta Enterprise Corporation	alberta-enterprise.ca
Alberta Innovates – Bio Solutions	bio.albertainnovates.ca
Alberta Innovates – Energy and Environment Solutions	ai-ees.ca
Alberta Innovates – Health Solutions	aihealthsolutions.ca
Alberta Innovates – Technology Futures	albertatechfutures.ca
Advisory Boards, Councils and Authorities	
Access Advisory Council	eae.alberta.ca/ministry/agencies/caadvisory/aac.aspx
Alberta Apprenticeship and Industry Training Board	tradesecrets.gov.ab.ca
Alberta Council on Admissions and Transfer	acat.gov.ab.ca
Alberta Research and Innovation Authority	aria.albertainnovates.ca
Campus Alberta Quality Council	caqc.gov.ab.ca
Students Finance Board	eae.alberta.ca/ministry/agencies/caadvisory/sfb.aspx
Publicly Funded Post-Secondary Institutions	
Comprehensive Academic and Research Institutions	
University of Alberta	ualberta.ca
University of Calgary	ucalgary.ca
University of Lethbridge	uleth.ca
Athabasca University	athabascau.ca
Baccalaureate and Applied Studies Institutions	
Grant MacEwan University	macewan.ca
Mount Royal University	mtroyal.ca
Polytechnical Institutions	
Northern Alberta Institute of Technology	nait.ca
Southern Alberta Institute of Technology	sait.ca
Comprehensive Community Institutions	
Bow Valley College	bowvalleycollege.ca
Grande Prairie Regional College	gprc.ab.ca
Keyano College	keyano.ca
Lakeland College	lakelandcollege.ca
Lethbridge College	lethbridgecollege.ca
Medicine Hat College	mhc.ab.ca
NorQuest College	norquest.ab.ca
Northern Lakes College	northernlakescollege.ca
Olds College	oldscollege.ca
Portage College	portagecollege.ca
Red Deer College	rdc.ab.ca
Specialized Arts and Culture Institutions	
Alberta College of Art + Design	acad.ca
The Banff Centre	banffcentre.ca
Independent Academic Institutions	
Ambrose University College	ambrose.edu
Canadian University College	cauc.ca
Concordia University College	concordia.ab.ca
St. Mary's University College	stmu.ab.ca
The King's University College	kingsu.org

Publicly Funded Post-Secondary Institutions

Main Campuses



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